

# DAILY REPORT

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*China*

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TEXT OF ANNOUNCEMENT ON UNBLOCKED U.S. ASSETS

OW310627 Beijing XINHUA Domestic Service in Chinese 0052 GMT 30 Dec 82

[Text] Beijing, 30 Dec (XINHUA) -- To instruct the Bank of China to settle repayments of dollar assets unblocked by the United States, which have already been recovered by the bank overseas or in the Hong Kong-Macao region, the State Council has especially issued a "State Council Announcement" as the basic law governing repayment work. The full text of the announcement reads as follows:

On 9 September 1979 the State Council issued a decree authorizing the Bank of China to begin the recovery of various assets frozen by the U.S. Government in accordance with the "Agreement Between the Governments of the People's Republic of China and the United States of America on the Settlement of Claims on Assets" signed on 11 May 1979. On the basis of actual recovery work done so far, the Bank of China is authorized to review and settle account owners' dollar assets accordingly. For this purpose, the following announcement is issued:

#### Article 1

Dollar assets of government organizations, state enterprises and undertakings, including organizations and schools, unblocked and directly recovered from the United States, the Hong Kong-Macao region or banks of third countries will be repaid by the Bank of China in renminbi and turned over to the local state treasury.

#### Article 2

Dollar assets overseas or in the Hong Kong-Macao region that were deposited by former privately owned enterprises that later became public and private joint enterprises and have now been unblocked and recovered will be regarded as investments of the joint enterprises, whether such assets are listed as "pending assets" or "out-of-account assets" during public and private joint management. The department formerly in charge of the industry of joint enterprises will handle the repayment of the assets by issuing 50 percent in renminbi in one installment to former stockholders and giving them overseas remittance special allowances. The remaining 50 percent will be turned over to the local state treasury.

#### Article 3

Dollar assets deposited by former privately owned enterprises overseas or in the Hong Kong-Macao region and that are now unblocked and recovered will be returned in their entirety to the original owners after the department formerly in charge of the industry of the enterprises verifies that the assets have already been processed economically. Of the assets, 30 percent will be paid with foreign exchange reserves and 70 percent in renminbi, plus overseas remittance special allowances.

Dollar assets deposited by former privately owned enterprises that closed business with the approval of the industrial and commercial administration prior to public and private joint management and that are now unblocked and recovered will be handled in accordance with the provisions in Article 2 after the owners of the assets show valid documents.

#### Article 4

Dollar assets deposited by the organizations, enterprises and undertakings listed in Article 1 and former privately owned enterprises listed in Articles 2 and 3 in former privately owned banks or in the Bank of China after liberation that were indirectly frozen and have now been unblocked and recovered will be settled in accordance with each corresponding article.

## Article 5

Certificates issued by former privately owned enterprises and deposited in the Bank of China for import purposes or cash deposits made by former privately owned banks have been unblocked and recovered. The portion of foreign exchange provided by these former privately owned enterprises and banks themselves will be handled according to Article 2 or section 2 of Article 3 of this announcement, and those approved by the state will be paid in RMB and no preferential treatment, like that for overseas remittances, will be given.

## Article 6

The unblocked and recovered U.S. dollar assets referred to in Articles 2, 3, 4 and 5 will be handled according to the relevant state regulations when their owners are found to be liable for state debts or taxes.

## Article 7

Shareholders of former privately owned enterprises now residing abroad or in the Hong Kong-Macao region may submit their applications to the responsible authorities who take charge of their former trade in accordance with the stipulations in this announcement. Payments will be processed after their applications have been examined and verified. The portion of retainable foreign exchange [wai hui liu cun bu fen 1120 0565 3966 1317 6752 0433] may be remitted outside of the country; the RMB portion may not be remitted outside the country but may be kept in a special account opened at the Bank of China.

## Article 8

The indirectly frozen U.S. dollar assets deposited in former privately owned banks or the Bank of China after liberation have now been unblocked and recovered. Payments will be made uniformly in RMB and preferential treatment like that for overseas remittances will be given, but the unblocked and recovered stocks and bonds directly deposited abroad through the Bank of China or former privately owned banks will be paid in accordance with the actual amount of money that has been received. Of this amount, 30 percent will be paid in retainable foreign exchange and 70 percent in RMB. Preferential treatment like that for overseas remittances will be given.

## Article 9

Unblocked U.S. dollar assets directly recovered from abroad or the Hong Kong-Macao region by the former privately owned enterprises or private individuals with the concurrence of the Bank of China will be handled in accordance with the relevant regulations stipulated in this announcement.

## Article 10

Unblocked U.S. dollar assets to be liquidated in accordance with this announcement will all be paid by the Bank of China according to the purchasing rates for foreign exchange announced by the People's Bank of China.

## Article 11

U.S. dollar assets deposited in the United States or the Hong Kong-Macao region by former privately owned enterprises have been unblocked and recovered. During the period from the day the money was actually received to the day this announcement is promulgated, the Bank of China will pay interest at an annual rate of 5 percent.



U.S. dollars deposited in former privately owned banks or at the Bank of China after liberation by private individuals or former privately owned enterprises have been unblocked and recovered. If these were time deposits, the interest will be calculated and paid in accordance with the original interest rates and original length of term, and no interest will be paid for the period that has exceeded the original term; but from 2 April 1979 to the day this announcement is promulgated, interest will be calculated and paid at an annual rate of 5 percent. If these were demand deposits or cash deposits or remittances that had not been remitted [wei jie hui kuan 2607 6043 0565 2949] or received bills, no interest will be paid for the period from 17 December 1950 to 1 April 1979. However, they will be paid interest at an annual rate of 5 percent from 2 April 1979 to the day this announcement is promulgated.

Payments for the unblocked and recovered dividends and money made from selling bonds and shares which private individuals or former private enterprises had deposited in former privately owned banks or directly deposited abroad or deposited in the Bank of China after liberation will be made by the Bank of China according to the actual sum that has been received. No additional interest will be paid.

To individuals and former privately owned enterprises, the Bank of China will pay the amount of money actually recovered without any interest for their bonds and stocks deposited either in former privately owned banks or directly deposited abroad or in the Bank of China itself after liberation, as well as the unblocked dividends from the stocks and the amount of money received from selling the stocks.

#### Article 12

When a former privately owned enterprise files a claim for its unblocked assets, it should obtain an application form from the original unit in charge of the particular trade during the joint management of state-owned and privately owned enterprises and provide the related documents as proof. The Bank of China will handle the case according to this announcement after the unit in charge of the trade has carefully examined the documents and approved the application in coordination with the local administrative bureau of industry and commerce and the local tax bureau and supply the bank with a list of the names of payees.

If a former privately owned enterprise that had already closed down prior to the joint management of state-owned and privately owned enterprises files a claim for its unblocked assets, it should obtain an application form from the Bank of China and supply the related documents as proof. The Bank of China will handle the case according to the provisions of this announcement after the local administrative bureau of industry and commerce and the local tax bureau have carefully examined the documents and approved the application and supplied the bank with a list of the names of payees.

If an individual claims his unblocked assets, he should obtain an application form from the Bank of China and provide the bank with the related documents as proof. The Bank of China will handle the case according to this announcement.

If the original documents of a payee were lost, his status as a legal holder can be certified by a state organ for notarization. His status as a legal holder can also be certified by an official letter from a related unit. The Bank of China will make the payment after verification.

## Article 13

If the U.S. dollar assets of a former privately owned enterprise in foreign countries or in the Hong Kong-Macao region are unblocked and recovered but the original owner or owners are deceased, the legal heir or heirs can proceed to claim the assets according to the related regulations of the state.

When there are two or more owners, they should show proof of their ownership of the assets. The Bank of China will pay them separately.

## Article 14

Those who wish to file claims for the U.S. dollar assets that have been unblocked and recovered should do so from the date of this announcement to 31 December 1983. The Bank of China will hand over all the funds unclaimed during this period to the state treasury locally in a unified manner.

## Article 15

After the announcement is made, the Bank of China will handle cases according to the provisions of this announcement with regard to the unblocked U.S. dollar assets that it continues to recover from foreign countries and in the Hong Kong-Macao region. The time limit to file claims will be extended appropriately.

## Article 16

Without the concurrence of the Bank of China, no state organ, state-run enterprise, state-run undertaking or unit, or former privately owned enterprise or individual is allowed to withdraw, sell or transfer by themselves the U.S. dollar assets unblocked by the U.S. Government that have not been uniformly recovered by the Bank of China.

WEINBERGER DENIES DIMINISHED MIDEAST INTEREST

OW271636 Beijing XINHUA in English 1603 GMT 27 Dec 82

[Text] Cairo, December 27 (XINHUA) -- U.S. Defense Secretary Caspar Weinberger has denied that U.S. interest in creating a strategic consensus in the Middle East has diminished, the Egyptian newspaper AL-AKHBAR reported today. The United States wishes to work with "the maximum number of moderate Arab countries, including Egypt," to establish cooperation, Weinberger told AL-AKHBAR's correspondent at the United Nations in an interview.

He said Egypt, Saudi Arabia, Oman, Jordan and other Middle East countries attach vital importance to the safeguarding of free navigation in the area for all countries. "If any danger threatens navigation in the region, it will be a source of deep concern to the United States," he added.

Weinberger stressed "the importance of the role played by Egypt, which occupies a strategic position in an extremely important part of the world." The United States is ready to supply more aid to Egypt, he said.

Weinberger said the main task of the U.S. Rapid Deployment Force is to help in "protecting the oilfields and America's friends in any part of the world." The forces staged maneuvers in the Middle East because "the situation might necessitate the mobilization of these forces to protect the oilfields in the event of a Soviet invasion," he said.

U.S. BLAMED FOR FAILURE OF TEXTILE TRADE TALKS

OWO21202 Beijing XINHUA in English 1143 GMT 2 Jan 83

[Text] Beijing, January 2 (XINHUA) -- A leading member of the foreign trade administration under the Ministry of Foreign Economic Relations and Trade told XINHUA today that certain U.S. Government officials and U.S. media lately spread incorrect views on the negotiations for the Sino-U.S. textile agreement and made public the U.S. attempt to unilaterally restrict China's textile exports. This has aroused the concern of the related departments and the general public in China, he said.

Since last August, he continued, China and the U.S. have had three rounds of negotiations for a new textile agreement. In order to advance the negotiations, he said, China made big concessions and showed much flexibility in the later period of the third-round talks. However, the U.S. side has still not made any positive response.

The fourth-round negotiation was originally scheduled for mid-December in Beijing. Because the U.S. side set prerequisites contradictory to the principle of negotiation on an equal footing and refused to come to Beijing on time, the fourth round of negotiation has been postponed to January this year.

Therefore, "the responsibility for the failure to reach agreement before the end of 1982 rests with the U.S. side," he stressed. "We welcome the U.S. move to drop its 'pre-requisites' and come to Beijing for talks. We'll continue to do our best to seek together with the U.S. side ways to reach agreement so as to promote Sino-U.S. trade."

He said: Considering new agreement could not be reached by the end of last year owing to the U.S. side and the old agreement would soon terminate, the Chinese side proposed to make an interim arrangement through consultation between the two sides. However, the U.S. side published on December 28, 1982, details of its proposed unilateral restrictions on China's textile exports. "This is an evident violation of the principle of negotiation on the basis of equality. We are resolutely against it," he said.

He stressed that the Chinese side has all along been ready to reach agreement through negotiation satisfactory to both sides. While negotiations are still in progress, the U.S. side should not, and has no reason to, impose unilateral restrictions on China's textile exports.

Even if the two sides have yet to reach agreement, they should make an interim arrangement through consultation, he said. "Since the U.S. side has made public its intention to unilaterally restrict China's textile exports, we must say that the Chinese side is strongly opposed to the unilateral restrictions by the U.S. side. Should the U.S. side ignore the Chinese side's opposition and obstinately carry out its unilateral restrictions, we cannot but respond strongly in order to safeguard our own interests. The U.S. side should bear all the consequences arising therefrom," he stated.

In conclusion he said although the U.S. side has created a very unfavorable atmosphere for the coming fourth-round negotiation, the Chinese side is still willing to do its best in the negotiations and wishes that the U.S. delegation will adopt a correct attitude and make earnest efforts to cooperate with the Chinese delegation to reach agreement at an early date for the purpose of developing trade between the two countries.

TASS STATEMENT ON AFGHAN ANNIVERSARY REVIEWED

OW011016 Beijing XINHUA in English 0722 GMT 1 Jan 83

[Text] Moscow, December 31 (XINHUA) -- "The attempts to make the development of relations between the Soviet Union and the USA, between East and West, dependent on developments around Afghanistan cannot fail to evoke surprise and censure," says a TASS statement today. The statement, issued on the occasion of the third anniversary of the Soviet occupation of Afghanistan, says that the hopes for the Soviet Union to change its attitude towards Afghanistan are "illusory".

This statement shows that the new leaders of the Soviet Union will, as in the past, continue the occupation of Afghanistan. The statement plays the old tune that the Soviet troops were "asked" to enter Afghanistan. It falsely accuses those countries that support the resistance movement in Afghanistan of "bearing a direct responsibility for the conflict in the area." The statement reiterates: "The Soviet Union will do its internationalist duty to the end in defending Afghanistan against foreign armed intervention."

The statement insists that the "proposals" put forward by the Karmal regime in 1981 and repeated last year be the basis for a political settlement of the Afghanistan question.

AFP: CHINA SAID TO GIVE USSR PLAN ON KAMPUCHEA

OW011100 Hong Kong AFP in English 1054 GMT 1 Jan 83

[By Charles-Antoine de Nerciat]

[Text] Beijing, Jan. 1 (AFP) -- China has presented to the Soviet Union a plan to settle the question of Cambodia, visiting members of France's Communist Marxist-Leninist Party said here today. Members of the three-man French delegation made their comments after talks with senior Chinese officials including Communist Party chief Hu Yaobang, the right-hand man of China's top leader Deng Xiaoping.

The French delegation declined to divulge how China proposed to settle the conflict in Cambodia, where some 150,000 to 200,000 Vietnamese troops are defending the Phnom Penh regime installed by Hanoi four years ago. But members said that the Chinese plan was presented to the Soviet Union in October during the first round of discussions here aimed at a possible normalization of relations between the two communist giants. There was no confirmation immediately available from Chinese officials.

The French Communist Marxist-Leninist Party was the product of a split that broke out in France's Communist Party when it backed Moscow against Beijing after the Sino-Soviet rift of the early 1960's.

The French delegation said the Chinese indicated that the Soviet Union had not yet responded to the Chinese proposals on Cambodia, where the Vietnamese are opposed by the ousted Khmer Rouge regime and other movements backed by Beijing.

The intervention in Cambodia by Vietnam, Moscow's principal Asian ally and recipient of significant Soviet military and economic (?aid) is one of the three major obstacles cited by Beijing to rapprochement with the Soviet Union. The two others are the deployment of Soviet forces on the Sino-Soviet border and in Outer Mongolia and the presence of Moscow's troops in Afghanistan.

While resuming its dialog with the Soviet Union after a nearly three-year break -- with discussions due to be continued in the coming months in Moscow -- China has repeatedly insisted that these three factors constitute a threat to its security.

A senior Chinese official familiar with the Sino-Soviet talks recently stressed that China considered the Cambodian question the most pressing. The official said that China was not insisting on simultaneous resolution of all three stumbling blocks but believed that a solution of one or another of the questions could unblock the Sino-Soviet normalization process.

Diplomats here believed that China's position on Cambodia had become more flexible in recent months. They said indications were that China would be ready to resume discussions with Vietnam if Hanoi began to pull its troops out of Cambodia while announcing a timetable for the withdrawal.

China and Vietnam had talks in the months after the armed conflict between the two former socialist allies in February-March of 1979. But the discussions produced no results. The talks were broken off by China, which has steadfastly maintained that no settlement of the Cambodian question was possible unless Vietnam withdrew its forces.

The French Communist Marxist-Leninist delegation said the Chinese plan recommended that Cambodia become neutral and non-aligned and stressed the right of the Cambodian people to determine their own future. China supported last June's formation of an anti-Vietnamese coalition grouping the Khmer Rouge, Beijing's allies, and the two anti-communist resistance movements led by Prince Norodom Sihanouk and his former Premier Son Sann.

#### BEIJING BROADCASTS FRIENDSHIP PROGRAM TO USSR

OW030641 Beijing in Russian to the USSR 1800 GMT 25 Dec 82

[From the "Pages of Friendship" feature]

[Text] Dear Soviet radio listeners: We began broadcasting our "Pages of Friendship" feature in March this year. We broadcast it every other Saturday. Today we are carrying our 22d "Pages of Friendship" program, the last this year. Let us recall past programs carried under this title.

The Chinese and Soviet peoples are linked by deep and traditional friendship. Our people have always valued it. Both during the revolutionary war years and in the first period of peaceful construction the peoples of both countries have invariably rendered support and assistance to one another. With live, concrete examples we show the friendly feelings of the Chinese people for the Soviet people in our "Pages of Friendship" feature. It desires to develop and strengthen this great friendship even further.

In the very first feature we broadcast "Unforgettable Friendship," in which Comrade (Wan Xian), chief engineer of the Beijing Electronics Plant, described one of the episodes in his life. In July 1954 he was sent to the Soviet Union to do practical work and befriended Soviet workers and engineers. He told us: In the course of my practical work I made a lot of Soviet friends. Most frequently I was associated with (Sinyakov), chief of the tungsten and molybdenum shop, who was a direct, open and sincere person. He helped me a lot. Later he frequently came to China. He helped us a great deal in the technological management of the plant.

Comrade (Wan Xian) often visited the Soviet Union. This is what he said about his second visit: It was in 1959. I went to Hungary for the conference of the international standards organization. On the way back we stopped in Moscow for 2 weeks. I spent a whole week at the Moscow electric-lamp plant which I had left 4 years earlier. I was received very warmly. I once again met chief technologist (Plotskiy) and (Sinyakov), chief of the tungsten and molybdenum shop. We all brimmed over with feelings of sincere friendship and therefore the embraces were strong.



In April this year (Wan Duyan), deputy director of the Institute of Nationalities of the PRC Academy of Social Sciences, and (Qian Zhihua), junior research worker at the Institute of World History, were present in Dushanbe at the International Symposium on Consuming and Producing Economies in the Neolithic Period in Central Asia. The organizers of this symposium, the USSR Academy of Sciences, the Tadzhik Academy of Sciences and the Soviet Society for Studying Central Asian Culture received them warmly. This is what comrade (Qian Zhihua) told us in our program about his trip to the Soviet Union: During the symposium we associated with Soviet scientists. They exhibited sincere friendship toward the Chinese people and Chinese scientists.

Among the Soviet delegation was my old acquaintance (Galina Fedorovna Korobkova). We studied together in the 1950's at the history faculty of Leningrad University. She is now a professor and came to the symposium with her husband Vadim Mikhaylovich Masson, director of the Leningrad branch of the Institute of Archaeology of the USSR Academy of Sciences. (Galina Korobkova) told me about our acquaintances, teachers and the students that studied with us and said that the student hostel on the banks of the Neva, where I lived, has moved. I told her that her husband's father -- prominent orientalist professor Mikhail Masson -- is well-known in China. A lot of his work is known to Chinese scientists. (Galina Korobkova) said that Professor Masson is still well and is now 85.

I was very, very happy to hear this and I asked her to convey to the professor my deep feeling of respect. I was very happy to meet Vadim Mikhaylovich Masson. Recently I received two of his brochures. This (?demonstrates the warm) friendly attitude of Soviet colleagues. It is also indicative of their desire to expand scientific exchanges between the scientists of our countries.

Sport also strengthens friendship and mutual understanding (?between people of various) countries. During the past year our sportsmen also visited the Soviet Union for international competition. The people of Beijing also received Soviet sportsmen, participating in the international track and field competitions and the international marathon race.

From the end of March until the first days of April this year, the Chinese gymnastics team participated in the ninth traditional international tournament for the MOSKOVSKIYE NOVOSTI newspaper prize and at the 12th international Riga-82 tournament -- where it achieved good results -- performances by young Chinese gymnasts deeply impressed Soviet sports fans. (Ye Zhihun), manager of the Chinese gymnastics team, described her impressions on the tour to the USSR in our program. Here is part of what she said: We are particularly pleased that contacts between Chinese and Soviet sportsmen, during which they learned from their Soviet friends, promote friendship between gymnasts of our countries. Particularly joyful for me was my meeting with Soviet gymnasts and workers in the field of physical culture and sport who have visited China in the past. We had hearty talks and recalled together [words indistinct].

In 1953 (Sofiya Muradova) came to China in the group of the combined Soviet gymnastics team. Such specialist in the sport of gymnastics like (Ivanova), husband and wife (Plotin) and other friends worked in China. Their former Chinese students are presently working as trainers of combined teams of the country and as scientific workers in scientific and research institutions of physical culture and sport. They asked me to present gifts to their Soviet teachers, such as silk, wall lamps, family photographs and color photos taken last year in Moscow during the world gymnastics championship.

USSR people's artist (Okhlopkov) is also well known in China. He is known here for his film "Lenin in 1918" in the role of (Vasilyev). I frequently met him in the Mayakovskiy Theater. He always received Chinese students warmly. I was producing "The Young Guards," dramatized by him, in the Chinese Children's Art Theater. He enthusiastically helped me in its production and shared his experience, which helped me a lot.

Dear Soviet radio listeners: The above are a few of the concrete examples indicative of sincere friendship between the peoples of China and the Soviet Union in the 1950's. In recent years our scientists have also visited the Soviet Union, where they participated in various international symposiums.

We described many similar events in our broadcasts. For instance, Prof (Hu Godeng), deputy head of the Nankai University in Tianjin, appeared in our program. This is what he said about events 20 years ago: In the summer of 1957 my country sent me, a young lecturer, to the Soviet Union for advanced studies. I studied for 3 years at the Moscow State University mathematics and mechanics faculty. Three years in the life of a person is a short period. But I will never forget my student life at the Moscow State University because I loved that university very much and loved my teachers and friends. An unforgettable picture of that period still lingers in my mind.

Prof (Hu Godeng) is the only specialist in our country in the field of information science [informatika]. Profound friendship tied him with Soviet Professor Dobrushin. (Hu Godeng) said about this friendship: Roland Lvovich Dobrushin helped me a lot in my studies and I am very grateful to him. At that time I mainly attended debates on information sciences he organized. In addition we associated a lot personally, and I frequently consulted with him, carried out joint research and discussed different issues with him. Following his advice I began to work in information science. We were linked by common interests and aims, while our friendship was reinforced by information science. During debates we exchanged results of our work and supplemented and corrected each other. Initially we frequently gave lectures on our work. When it was my turn I first gave my work to him to review. This is how the seeds of friendship took root in our hearts.

The Fourth International Conference on the Theory of Probability was held in the United States in 1961. There Professor Dobrushin described some results of Professor (Huo Godeng)'s work in the field of information science and called it the (Huo Godeng) axiom.

Profound friendship links not only the scientific circles of China and the Soviet Union but also our literature and art workers. (Xu Xiaozhun), head of the Stage and Screen Producers School of the Central Institute, said the following about such friendship: We had close contacts with Soviet colleagues in the 1950's. Four Soviet specialists worked in our institute in 1953 -- well-known actors and producers (Lenskiy), (Kuliyev), (Guliyev) and scene painter (Lykov). Some other teachers of the institute and I studied in the Soviet Union. In 1955 I studied at the Producers School of the Lunacharskiy State Institute of Drama. Well-known Soviet producer (Zavadskiy) was my supervisor. He was very friendly with us Chinese students and selflessly passed to us all his knowledge and experience. He frequently took me to the theater, most frequently to the Gorkiy Theater, where we did practical work. I saw many famous plays there and met many prominent Soviet producers and actors. To the question: Which famous Soviet actors have you met? (Xu Xiaozhun) replied: I could talk endlessly about this but will only mention two of them. I met USSR people's artist (Marevskaya), who is well known in our country, in a theater, where I sat next to her. (Marevskaya) was interested in the Chinese theater and asked my opinion about her performance.

Since we have mentioned sports we must mention Chinese chess player (Liu Shulan). This Sichuan girl won seven rounds, played four to a draw and lost three rounds at the international world women's chess championship tournament in Tbilisi. She took third place and became one of the top eight women chess players of the world. The Tbilisi Chess Palace was not the only unforgettable event for (Liu Shulan). The sincere and friendly attitude exhibited by the Soviet people toward the Chinese people which she sensed throughout her more than 20 days inside and outside of the chess palace will also always remain in her memory.



She will never forget how she was warmly applauded by the chess fans after her victory in the last round over Soviet chess player (Pisarenko). She will never forget how young Soviet people surrounded her after the tournament, asking for her autograph. And of course she will never forget how the Soviet chess players, coaches, referees and internationally well-known grand masters sincerely congratulated her on her victory. The beautiful Tbilisi Chess Palace, picturesque Georgian villages and the Iosif Vissarionovich Stalin Museum in Gori -- all these left an indelible impression on the Chinese girl.

Trade between China and the Soviet Union is also a major subject of the "Pages of Friendship" feature. A number of our enterprises have been producing goods for the USSR for many years. One of them is the Second Tianjin Knitted-Goods Factory. (Hu Jianghu), director of this plant, said: Our factory began exporting its goods to the USSR in the beginning of the 60's. In the 20 years it has delivered over 4 million complete sets of knitted underwear clothes to the USSR, or 200,000 complete sets a year, on the average. They include men's and women's clothes sized 44 to 56. Undershirts are made with round collars or with a three-button fastening and are in white, light blue, grey and beige colors. This year the factory signed an agreement with the Soviet Union on delivering 220,000 complete sets of undershirts and 300,000 pairs of women's panties. Next year it is planned even to further increase exports to the Soviet Union. Fashions are designed with the demands and customs of the Soviet people in mind. Our products are very popular with the Soviet people.

Our "Pages of Friendship" feature carried the recollections of Comrade (Wu Qisian), who visited the Soviet Union in 1925; we introduced you to well-known Chinese translators of Russian and Soviet literature (Tsao Dinfang), and (Dan Jizhi) and talked about the publication of Gorkiy's complete works in China.

Next year we will continue our "Pages of Friendship," and in order to make it even more interesting we ask you to send us your suggestions or remarks to the following address: People's Republic of China, Beijing Radio, Russian Editorial Office.

In conclusion we would like to congratulate all of you on the coming new year and wish you all the best. Dear radio listeners: With this we conclude the last "Pages of Friendship" feature for this year.

KIM IL-SONG ON KOREA'S REUNIFICATION, SECURITY

OW011642 Beijing XINHUA in English 1608 GMT 1 Jan 83

[Text] Tokyo, January 1 (XINHUA) -- Korean leader Kim Il-song has repeated his wishes for the reunification of Korea by peaceful means, saying that this reunification should be realized early so to guarantee security in the Korean peninsula.

In a written reply to questions from the Japanese newspaper ASAHI SHIMBUN on Korea's reunification, Kim Il-song said he was optimistic about the problem but was also aware that it was no easy job.

The main obstacle, he said, is the U.S. occupation of South Korea and its scheme to create "two Koreas." However, he stressed, no matter how cunning the U.S. scheme might be, nothing on earth could prevent the Korean nation from reunification.

Turning to another question, Kim Il-song said that lasting peace and security in Asia is a very important and urgent issue for the Asian people today.

Only when peace and security is guaranteed could the people possibly establish an independent and prosperous new society and found a new Asia of self-determination, he said.

Kim Il-song accused Washington of strengthening its military presence in South Korea and aggravating tensions in that region.

"The U.S. authorities should respond at an early time to Korea's proposal for the conclusion of a peace agreement, pull out their troops in South Korea and stop their activities threatening the Asian peace," he said.

Referring to Korea's external policy, Kim Il-song said it is always the policy of the Korean Government to forge close ties of friendship and cooperation with socialist countries, particularly with Korea's neighbors China and the Soviet Union.

It is only natural and a matter of course that Korean-Chinese relations are growing stronger with each passing day, he noted.

He said Korean-Japanese relations can also be improved and even normalized if the Japanese Government changes its unfriendly attitude towards Korea and displays friendliness.

KIM IL-SONG NEW YEAR ADDRESS TO PEOPLE

OW011530 Beijing XINHUA in English 1500 GMT 1 Jan 83

[Text] Pyongyang, January 1 (XINHUA) -- Korean leader Kim Il-song called on his people to accelerate socialist economic construction in his New Year address delivered today. "To energetically speed up socialist economic construction is the most important revolutionary task confronting our party and people today," he said. He said: "This year we must give a greater impetus to the revolution and construction under the banner of the ideological, technical and cultural revolutions and make great strides in the struggle of revolutionizing, working-classing and intellectualizing all members of the society and further accelerating socialist economic construction."

Reviewing the work in 1982, Kim Il-song said the total industrial output value grew by 16.8 percent over 1981 and an unprecedentedly bountiful harvest hit the 9.5-million-ton grain production target.

Meanwhile, Korea's friendly relations and cooperation with socialist, non-aligned and Third World countries developed further and a worldwide movement in support of the Korean people's cause of national reunification flourished, he said.

To accelerate socialist economic construction dynamically, Kim Il-song said economic officials must deepen their sense of responsibility and role. They should all efficiently organize economic work and guide production in conformity with the intentions of the party and the requirements of the law of socialist economy, he said.

"Let us all fight vigorously to win a greater victory in socialist construction and hasten the country's independent, peaceful reunification, and unite firmly behind the party Central Committee under the revolutionary banner of the *chuche* idea," he said.

DPRK LEADER SENDS NEW YEAR GREETINGS TO PRC

OWO11126 Beijing XINHUA in English 1106 GMT 1 Jan 83

[Text] Pyongyang, December 31 (XINHUA) -- 1982 has been a year full of events of historic significance in the revolutionary struggle and national construction in both Korea and China, a year which has added a new page to the annals of friendship of the two peoples. This is said by Ho Chong-suk, vice-chairman of the Standing Committee of the DPRK Supreme People's Assembly and a member of the Secretariat of the Korean Workers' Party Central Committee, in her New Year greetings to the Chinese people over the radio here tonight.

Ho Chong-suk extended the warmest greetings to the fraternal Chinese people. She said Korea and China are the closest neighbors and the two peoples close comrades-in-arms and class brothers. They have been, in their protracted common struggle against the Japanese and American imperialists, bound to each other by their destinies, sharing weal and woe.

The Korea-China friendship is a militant friendship of great vitality build on solid foundation, which has stood all kinds of tests and storm. It has been further consolidated and developed by the existence of comradely friendship between the party and state leaders of the two countries.

She said the year 1982 had witnessed the exchange of visits between Comrade Kim Il-song, the greater [as received] leader of the Korean people, and Chinese leaders Comrades Hu Yaobang and Deng Xiaoping. The visits are of far-reaching significance and have brought the great friendship and unity existing between the two parties, governments and peoples to a new phase. "We are glad to see", she said, "that new changes have taken place in the ideological and mental outlook of the Chinese people and in all fields of their socialist construction."

Rallying round the great Chinese Communist Party, the Chinese people have achieved nationwide unity and stability, while overcoming difficulties on their road of advance. They are now expediting the realization of their sacred cause to build China into a highly civilized and democratic socialist state under the guidance of the line formulated by the 12th National Congress of the Chinese Communist Party.

These historic changes and brilliant achievements are the result of the creative integration by the Chinese Communist Party of the universal truth of Marxism-Leninism with the concrete conditions in China. "The Korean people are overjoyed at the achievements made by the Chinese people as they are at their own successes," said Ho Chong-suk.

To end her radio address, she wished the Chinese people more brilliant achievements in the new year in building up a strong, new China and in the struggle for the return of Taiwan to the motherland and hence the reunification of the country.

LIAO CHENGZHI'S NEW YEAR GREETINGS TO JAPANESE

OW040923 Beijing in Japanese to Japan 2130 GMT 31 Dec 82

[Text] A happy new year to our Japanese listeners. On this New Year's Day, we will present the New Year greetings of chairman of the China-Japan Friendship Association, one of the Chinese channels for Sino-Japanese friendship.

Chairman Liao Chengzhi holds various important posts such as vice chairman of the National People's Congress, which is equivalent to the Japanese Diet, and member of the Political Bureau of the CPC Central Committee. He was born and grew up in Japan and spent part of his youth there; so he is well acquainted with Japan.

Before the microphone set in the sunny reception room of his home in Beijing, Chairman Liao Chengzhi said: I wonder if the Japanese people still set up decorative pines in front of their homes on New Year's Day. He said to this announcer: I speak Japanese too fast, don't I? He talked about the way the Japanese people observe New Year's Day, the Japanese language and other things before taking up the microphone.

[Begin recording] Dear Japanese people, a happy new year to you. At the beginning of the new year, I wish that this will be a wonderful year for you and for Sino-Japanese friendship. As one who was born in Japan and spent his childhood and part of his youthful days there, I recall various pleasant memories on New Year's Day. As I stand before this microphone to speak to you, the Japanese people, New Year's decorative pines, a visit to the shrine, the first writing of the year, card games, kite flying, and other New Year scenes in Japan come to mind vividly and the sound of the New Year's "hanetsuki" game rings in my ears. On this occasion, I recall a Haiku poem by Japanese Haiku poet Kyoshi Takahama to the effect that he sees something consistent running through the past year and into the new year.

As we see the old year off and usher in the new year, the memories of what happened between China and Japan in the four seasons of the past year come and go like a kaleidoscope: Premier Zhao Ziyang's visit to Japan in the spring, the textbook issue in the summer, Prime Minister Zenko Suzuki's visit to China and events marking the 10th anniversary of the normalization of Sino-Japanese relations in the fall, the first 3-day Tokyo meeting between private citizens of the two countries in 30 years, panda Fei Fei's arrival in Japan and so forth.

Through these and other activities, the Chinese and Japanese peoples have enlarged the ring of Sino-Japanese friendship hand in hand and further consolidated the foundations of this friendship. Take the textbook issue in the summer as an example.

The peoples of China and Japan, who earnestly desire peace, quickly stood up together against a move to turn back the wheel of history and once again impose the sufferings of war on the peoples of the two countries and nipped the move in the bud. The firm wisdom and the wonderful ability to act demonstrated by the peoples of our two countries over this issue eloquently demonstrated that the cause of lasting friendship between the two peoples cannot be obstructed by any force.

Against this background, we are ushering in a new year another sequence of seasons. I wish that the new year will be a more wonderful year than the last year for Sino-Japanese friendship. We have a 2,000-year-long history of friendship, which we are proud of. This is a priceless treasure for the peoples of China and Japan. They have built it through unceasing efforts year after year, generation after generation. Our generation shoulders the task of developing this 2,000-year-long friendship into one lasting another 2,000 or 3,000 years and endless generations. The new year 1983 will be a precious year for this task. We must securely take over the baton of friendship and make efforts year after year as our preceding generations did so that we can securely hand over this baton to the next generation. Only by so doing can we build a lasting friendship between the two peoples as something they can cherish.

I hear that there are many young people among listeners of Beijing Radio, a bridge for Sino-Japanese friendship, and this makes me very happy. I hope that more Japanese youths will lock arms with Chinese youths and make friendly exchanges in the new year. There is a saying about the disciple outshining the teacher. So the future of Sino-Japanese friendship depends on the young generation of our two peoples. I am sure they will add luster to the friendship our forefathers have cultivated over 2,000 years, by their wisdom and deeds.

Speaking of myself, last year I had a trouble with my leg and failed to realize my scheduled visit to Japan. I also could not meet with many Japanese friends who visited China. But now my leg has healed considerably and I am physically in good shape, so I plan to work with you, the Japanese people, this year for a lasting friendship between our two peoples. Let me conclude by wishing you a happy new year.

#### NAKASONE SAYS JAPAN-PRC TIES TO BEGIN 'NEW LEAP'

OW311706 Beijing XINHUA in English 1507 GMT 31 Dec 82

[Text] Tokyo, December 31 (XINHUA) -- Prime Minister Yasuhiro Nakasone has said: "It is time for Japan-China relations to begin a new leap." Ten years ago this month, Japan and China normalized relations which, Nakasone said, "will begin their progress in the coming decade", according to the December issue of the Japan-China society's monthly journal.

A solid friendly relationship has been established between Japan and China, he said, adding: "We should establish on this basis an even closer relationship of friendship and cooperation." He called for more people-to-people exchanges between the two countries. Such exchanges are becoming more and more important and constitute the source of strength with which to establish an unshakable trust between Japan and China, he said.

#### JAPANESE GOVERNMENT PUBLISHES 1983 DRAFT BUDGET

OW310910 Beijing XINHUA in English 0820 GMT 31 Dec 82

[Text] Tokyo, December 30 (XINHUA) -- Yasuhiro Nakasone's Cabinet of Japan today published its draft budget for fiscal 1983 starting next April 1. The draft budget will total 50,379 billion yen, an increase of 1.4 percent over 1982.

With a deduction of 2,252.5 billion yen from the general account expenditures to compensate for the revenue shortfalls in fiscal 1981, the net amount of the 1983 budget is only 48,127.1 billion yen showing a virtual decrease of 3.1 percent from the current fiscal year.

While cuts are planned in various allocations, defense spending will rise by 6.5 percent as compared with the current fiscal year to 2,754.2 billion yen, or 0.978 percent of the Gross National Product. The defense spending hike is generally believed by the Japanese media to be a result of mounting Soviet military threat and the U.S. pressure on the Japanese Government to counter this threat. It is a reflection of Prime Minister Yasuhiro Nakasone's desire.

In contrast to this high increase rate, spending on welfare will be up only 0.6 percent. Allocations for public undertakings remains basically at the same levels of the current fiscal year. The budget will allow a 7 percent increase in foreign aid, which amounts to 0.34 of the Gross National Product.

According to the draft budget, in order to make up for the revenue shortage in 1983, a national bond of 13,345 billion yen, or 26.5 percent of the 1983 budget will be issued. This will send the accumulated national debt to well over 100,000 billion yen, and it will make it impossible for the government to keep its promise to become free of national debt by 1984.

Apart from the draft budget for fiscal 1983, the government has also drawn a 20,702.9 billion yen plan for financial investment and loans, which is two percent up from fiscal 1982. The plan mainly aims at financing medium-sized and small enterprises and providing loans for housing and road construction.

The draft budget of the Cabinet will be presented to the Diet next January for examination and ratification.



HU YAOBANG MEETS, FETES HOANG VAN HOAN 30 DEC

OW301914 Beijing XINHUA in English 1552 GMT 30 Dec 82

[Text] Beijing, December 30 (XINHUA) -- Hu Yaobang, general secretary of the Central Committee of the Communist Party of China, met with Hoang Van Hoan, wishing him a happy new year, this afternoon in Zhongnanhai.

The 77-year-old Hoang Van Hoan was greeted with handshakes at the entrance to the reception hall by Hu Yaobang, Xi Zhongxun, Hu Qili, Qiao Shi, Hao Jianxiu, Ji Pengfei.

When General Secretary Hu Yaobang asked Hoang Van Hoan about his health, he said: "I'm very well and much better than before."

Hu Yaobang said: "You have done much work for the enhancement of the friendship between the two parties and countries of China and Vietnam. New Year's will come and I have invited some comrades to get together here with you today."

Hoang Van Hoan said: "I haven't done enough, and I'll continue my efforts." He said he hoped that more friends would get together here next New Year's. The meeting hall was full of mirth. The meeting was followed by a dinner hosted by Hu Yaobang for Hoang Van Hoan.

SON SEN EXPLAINS KAMPUCHEAN MILITARY SITUATION

BK310814 Beijing in Cambodian to Kampuchea 1030 GMT 30 Dec 82

[Text] One day in mid-December Son Sen, a Democratic Kampuchean leader, received and granted an interview in an evergreen forest in Democratic Kampuchea to a group of Chinese radio-television correspondents.

First of all our correspondents asked Son Sen about the situation on the battlefield. With a pencil in his hand, Son Sen opened a military map before us and said: The situation in this year's dry season is different from that in the previous years. Formerly the enemy would begin its operations immediately after the end of the rainy season. This year, however, the enemy has not carried out any major activities except for sending its men out in small groups to conduct reconnaissance. In the western region battlefield, the enemy has carried out only some spying activities and shellings. On the battlefield in Koh Kong Province and Leach District, there have been no enemy attacks at all. In the area south of Sisophon District, there have been only some spying activities by small groups of the enemy. In the northern region, except for deploying a number of soldiers along Highway 6, the enemy has not carried out any attacks. In Ratanakiri the enemy usually carries out activities in October, but the enemy in this area remains quiet at present. In Mondolkiri Province the enemy has conducted some spying activities in an attempt to sabotage our economic sector in the rear.

After briefing us on this situation, Son Sen said: The enemy has not launched any operations to date because its soldiers have become weak and their morale is very low. It is facing all kinds of difficulties. For example, the enemy has stationed two divisions in the south Sisophon battlefield. But the forces in the Fifth Division are very weak now.

Since our national army and guerrillas destroyed the roads in the rear, the enemy's 309th Division -- the main force which attacked the western sector at the beginning of this year -- was compelled to retreat to (Namsat). It must have suffered great losses because it hit our landmines and punji stakes during the retreat. After reinforcement, 40 percent of the forces in the 309th Division are south Vietnamese soldiers whose morale is very low and who are unwilling to fight and think only of fleeing.



However, this does not mean that the enemy will launch no offensive in this year's dry season. When it is driven to the wall, the enemy will become just like a cornered dog which dares even to jump over the fence. For example, in the western region near the Kampuchean-Thai border, the enemy has tried to use tanks to blaze a trail for its offensive in some areas in order to show the world that it is still strong. However, there is not much time for it.

By February 1983, when there will be heavy rainfalls, it would be difficult for the enemy to fulfill its desire even with this attempt. Moreover, our Democratic Kampuchean army and people have already made preparations. We have launched successive attacks, cut the enemy's communication lines and laid mines and placed punji stakes around the enemy's positions. The enemy soldiers would never dare to venture out of their positions without tanks to blaze the trail for them.

From the strong tone of his statement and the confident look in his face, we realized that Son Sen was fully confident in victory. We believe that just like in previous years, the end of this year's dry season will be marked by the constant growth of the Democratic Kampuchean forces and the weakening of the enemy forces.

#### VIETNAM'S RECENT DIPLOMATIC DEFEATS REVIEWED

BK021222 Beijing in Cambodian to Kampuchea 1030 GMT 31 Dec 82

[From the "Vietnam Today" program: "Failure of Vietnam's 1982 Diplomacy Relating to the Kampuchean Problem"]

[Text] In order to avoid diplomatic isolation and an impasse, Vietnam has stepped up its diplomacy since April 1982 after the holding of the Fifth VCP Congress. In April Nguyen Co Thach visited countries in northwestern Europe. Aside from begging for aid, he tried hard to explain Vietnam's position concerning the Kampuchean problem in order to seek sympathy from these countries. In July the sixth conference of the three Indochinese foreign ministers announced the partial withdrawal of Vietnamese troops. The Vietnamese leaders and press took this opportunity to propagate Vietnam's good will. Later on, Nguyen Co Thach took the opportunity to visit the ASEAN countries. Everywhere he went Nguyen Co Thach boasted that this was a success of the policy of dialogue.

After launching all these activities, Vietnam thought there would be some changes at this year's UN General Assembly, thus leaving the Democratic Kampuchean seat at the UN General Assembly empty. However, contrary to what Vietnam had expected, the UN General Assembly approved the credentials of Democratic Kampuchea by an overwhelming vote, that is, 90 votes -- dozens more votes than that in the previous General Assembly sessions. It can be said that this was a heavy blow to Vietnam but a big stride for Democratic Kampuchea. Diplomatic circles in Hanoi have paid great attention to the success and failure of Vietnam's 1982 diplomatic affairs relating to the Kampuchean problem. As this year ends, people are talking about many issues. Two subjects much talked about are why has Vietnam suffered such bitter defeats and what will it do next.

In the first half of 1982, there was a trend toward pacification in the international arena. Some people who had been hoodwinked by some diplomatic activities of Vietnam turned to admit that Vietnam's attitude toward the Kampuchean problem had loosened and become more flexible than before. However, in fact, Vietnam has not changed its aggressive attitude toward Kampuchea at all. Currently, there is no such opinion. This shows that a diplomatic schemes can deceive no one or last very long.

Sooner or later, it will backfire. Vietnam has preserved the partial troop withdrawal as its major scheme. It has been boasting about this partial troop withdrawal for several years now. Among the many proposals made by Vietnam, this troops withdrawal may be regarded as the most attractive one. Before it [words indistinct]. However, in July, after Vietnam announced it would partially withdraw troops, everybody realized this was only a trick. Other proposals made successively by Vietnam were also useless.

After the formation of the Coalition Government of Democratic Kampuchea [CGDK], Vietnam pretended to pay no attention. It said that this CGDK would not be able to last long. While this coalition government has been strengthened and recognized by more countries, Vietnam has come to realize the greater pressure on itself, militarily and diplomatically, which will cause it difficulties everywhere. Currently, the most encouraging point for Vietnam is to maintain the dialogue with ASEAN. So far this dialogue has not had any significant results. This is because Vietnam wants to use this dialogue to legitimize its occupation of Kampuchea and to make ASEAN recognize the Kampuchean puppet regime. Even with the failure of this attempt, Vietnam has tried to use this dialogue to lure the others to lessen the pressure on it. However, the ASEAN countries have ignored Vietnam's unpredictable attitude and resolutely demanded that Vietnam withdraw all its troops from Kampuchea. Thus, Vietnam's attempt has failed. This is why during his visit to India this December Nguyen Co Thach said that due to the attitude of the ASEAN countries, there were no prospects for the solution to the Kampuchean problem.

Speaking about Vietnam's current activities and its future policy, diplomats in general said that the no win, no lose situation will remain in Kampuchea.

Although the situation is unfavorable to Vietnam, it will never abandon what it has wanted for years. At present Vietnam might be able to control the situation in Kampuchea. The Heng Samrin forces have become slightly stronger. In the future there might be some changes in Vietnam's policy, but it will never change its aggressive stand against Kampuchea.

During the campaign of Vietnamese-Soviet friendship month, Vietnam condemned China, Democratic Kampuchea and Samdech Sihanouk. It even criticized Thailand. Although the VIETNAMESE NEWS AGENCY has repeatedly rejected the news about its dispatch of more troops to Kampuchea, everybody still believes that Vietnam will soon launch its dry-season offensive in Kampuchea. Vietnam has also launched vigorous diplomatic activities in an attempt to prevent the nonaligned summit, which will be held in New Delhi, from discussing the Kampuchean problem.

However, in a situation which has already changed, if Vietnam stubbornly continues such activities, it will certainly face greater difficulties in 1983. In other words, now that China and the Soviet Union have begun to exchange views and hold discussions, everybody hopes that the tension will lessen and sees the prospects for solution to the Kampuchean problem. If Vietnam opposes China more strongly and goes against the current, nobody will support it. With the failure of its partial troop withdrawal scheme, it is useless for Vietnam to sing the old tune as before.

Since Vietnam has refused to withdraw all its troops from Kampuchea, no matter what schemes the seventh conference of the three Indochinese foreign ministers, which will be held in January 1983, and the summit conference of the three Indochinese countries, which will be held later, will resort to, they can hoodwink no one.

Since Democratic Kampuchea has conducted more diplomatic activities in the international arena, Vietnam has to find ways to counter this. It will not withdraw all troops but will only call for dialogue. This will only make everybody detest it even more. In short, if Vietnam continues to take this road, it will certainly become more and more isolated and face a more serious impasse.

SON SANN SAYS KAMPUCHEAN RESISTANCE UNITED

OW251120 Beijing XINHUA in English 1101 GMT 29 Dec 82

[Text] Paris, December 24 (XINHUA) -- The anti-Vietnamese resistance movement in Kampuchea is now "more united and stronger than ever before," Son Sann, prime minister of the Coalition Government of Democratic Kampuchea told reporters here today.

Speaking at a press conference, the prime minister said: "The Vietnamese had predicted that our alliance could not last longer than six months. But we've been over seven months and we are doing well." Answering questions concerning China's assistance, Son Sann said China will provide weapons to all Kampuchean resistance forces regardless of ideology or religion.

China hopes that Kampuchea would once again become "a democratic country led by a government that is formed through free elections," he noted. China also hopes Kampuchea, after ending Vietnam's occupation, "will adopt a real neutral and non-aligned foreign policy," he added.

Son Sann expressed "regret" over the U.S. decision not to give any military aid to the Kampuchean resistance troops.

KHIEU SAMPHAN GREETES KAMPUCHEANS ON NEW YEAR

OW311202 Beijing XINHUA in English 1141 GMT 31 Dec 82

[Text] Beijing, December 31 (XINHUA) -- Khieu Samphan, vice-president of Democratic Kampuchea, has called upon the patriotic army and people of Kampuchea to strive for still greater victories in the war of resistance against Vietnamese aggressors in the new year. He made this call in a new year message to the Kampuchean people. The message was broadcast by radio Democratic Kampuchea today.

Although the Vietnamese aggressors have been beset with difficulties in the battlefields in Kampuchea, at home and abroad, in the past four years, they will stubbornly continue their war of aggression in Kampuchea. They will never be able to conquer the Kampuchean people and army, but they will struggle desperately. The Kampuchean patriotic army and people are growing stronger and stronger and will win one victory after another.

Khieu Samphan also wished the Kampuchean armymen and people good health and more and greater victories in their fight against the Vietnamese aggressors and for the defence of the country. He also hoped the Democratic Kampuchean Coalition Government will grow stronger in the struggle to oust the Vietnamese aggressors from Kampuchea.

SIHANOUK SENDS MESSAGE TO KHIEU SAMPHAN

BK030444 Beijing in Cambodian to Kampuchea 1030 GMT 2 Jan 83

[27 December "message of greetings and thanks" from Samdech Norodom Sihanouk, president of Democratic Kampuchea, to Khieu Samphan, vice president of Democratic Kampuchea]

[Text] I would like to express profound thanks to Your Excellency for your message of 24 December. I would like to extend my warmest congratulations to Your Excellency and other leaders, cadres, people and the brilliant combatants of Democratic Kampuchea for the great victories scored in 1982 in your valiant struggle against the Vietnamese aggressors and colonialists in our beloved fatherland.

I would like to express gratitude to Your Excellency for your best wishes on the occasion of the new year and I wholeheartedly extend best wishes to you and all the ladies and gentlemen for greater victories in 1983 in your struggle against the enemy.

BURMESE INDEPENDENCE DAY ANNIVERSARY MARKED

## Zhao Ziyang Message

BK031219 Beijing in Burmese to Burma 1130 GMT 3 Jan 83

[3 January greetings message from Premier Zhao Ziyang to Burmese Prime Minister U Maung Maung Kha]

[Text] On the 35th anniversary of the independence day of the Socialist Republic of the Union of Burma, on behalf of the Chinese Government and people and in my own name, I extend to Your Excellency my sincere greetings.

I firmly believe that the friendly relations and cooperation between China and Burma and the traditional kindred friendship between our two peoples will continue to strengthen and develop in the new year.

I profoundly wish new successes to the Burmese Government and people in their efforts to develop the national economy and culture.

## Ye Jianying Message

BK031217 Beijing in Burmese to Burma 1130 GMT 3 Jan 83

[3 January greetings message from Ye Jianying, chairman of the Standing Committee of the PRC National People's Congress, to U San Yu, president of the Socialist Republic of the Union of Burma]

[Text] On the happy occasion of the 35th anniversary of the independence day of the Socialist Republic of the Union of Burma, on behalf of the Standing Committee of the PRC National People's Congress and the Chinese people and in my own name, I extend my warmest congratulations and best wishes to Your Excellency and, through you, to the people of Burma.

We have been happy to witness during the past year the strengthening and development of the friendly relations and cooperation between China and Burma and the traditional friendship between our two peoples. This is not only in the mutual interest of the peoples of our two countries but also contributes to the maintenance and safeguarding of peace and stability in Southeast Asia.

May I take this opportunity to profoundly wish the Socialist Republic of the Union of Burma prosperity and the people of Burma happiness and greater successes in the new year along with a steady growth in the kindred friendship between China and Burma.

ZHAO CONCLUDES ZAIRE VISIT, FLIES TO CONGO

## Zhao's Kinshasha Banquet Toast

AB031755 Kinshasha AZAP in French 1340 GMT 3 Jan 82

[Premier Zhao Ziyang's toast at a dinner hosted by President Mobutu Sese Seko in Kinshasha on 2 January 1983]

[Text] Your Excellency Mr President and Mrs Mobutu Sese Seko, excellencies, dear friends:

It is a great pleasure for us to visit Zaire, a friend of China's, at the beginning of 1983.

We very much appreciate the enthusiastic reception accorded us by the Zairian people with singing and dancing. Tonight President Mobutu Sese Seko is kindly hosting a magnificent banquet in our honor and the address he has just delivered was extremely cordial. In fact, this is a vivid expression of the profound friendship between the Zairian and the Chinese peoples. On behalf of the Chinese Government and people, on behalf of my colleagues and on my own behalf, I wish to express my sincere thanks along with my best wishes for a happy new year to the Zairian president, his government and people.

The Republic of Zaire, which is a vast territory with rich natural resources, is known all over the world as a "geological scandal." It is a young state with immense developmental potential. Its people, who have a glorious anti-imperialist and anti-colonialist history, have waged a resolute struggle for the independence and freedom of their country. Under President Mobutu Sese Seko they have united the country and achieved national unity; they have safeguarded their national independence and sovereignty and are relentlessly working for the development of their economy and their culture. On the international front the Zairian Government's policy is one of neutrality and nonalignment; it opposes imperialism, colonialism, racism and use of force. It supports the just struggle of the Namibian and South African peoples, upholds the policy of good neighborliness and is doing everything to maintain African solidarity. It has enthusiastically agreed to South-South cooperation and North-South dialogue. It has made considerable efforts to transform existing unfair world economic relations. The Chinese people are happy with the successes achieved by the Zairian people and we wholeheartedly wish them further successes in their march forward.

His excellency the president has always shown great interest in the development of relations between China and Zaire and he is very familiar with the situation in China. Last July I had the honor to receive him in Beijing. On that occasion we held very friendly talks. Shortly after that the CPC held its 12th congress which drew up a socialist program for the modernization of our country. At present the political situation is stable and our economic development has assumed a regular tempo. Our objective is the gradual modernization of industry, agriculture, national defense and science and technology. We also aim to ensure that by the year 2000 the living standards of our people will improve significantly both materially and culturally. All the Chinese people are confident and are working toward achieving that magnificent but difficult task.

Like other developing countries, African nations are confronted with the task of economic development and must consolidate their political independence through their economic independence. The developing countries all hope for the restoration of world peace and stability.



But in view of the rivalry between the superpowers the world cannot be calm. And the shifting by some developed nations of the results of their economic crisis onto other nations has caused huge damage to developing countries. Under such circumstances it is very urgent and important for us, as Third World countries, further to strengthen our solidarity and our cooperation. China is a developing socialist country which remains attached to its foreign policy of independence. As it has always done, it will strengthen its solidarity and its cooperation with Third World countries and will make every effort to oppose hegemonism, promote world peace and establish sound and equitable world economic relations.

China and Zaire are two friendly countries. In spite of the distance between them, President Mobutu Sese Seko has made four visits to China, which greatly helped to establish and develop the friendly cooperation between China and Zaire. Our two countries just recently celebrated the 10th anniversary of the normalization of their relations. During the last decade, China-Zaire relations developed significantly on the basis of the five principles of peaceful coexistence and the two countries have maintained fruitful cooperation in various sectors. In examining the past and the future of our cooperation we believe that -- thanks to our joint efforts -- the relations of friendship and cooperation between China and Zaire will achieve further successes.

Now I invite you to raise your glasses and drink to the prosperity of the Republic of Zaire and to the happiness of its people; to the continued development of the friendship between the Chinese and Zairian peoples; to His Excellency President Mobutu's and his wife's health; to the health of all Zairian authorities and to the health of all our friends present at this banquet.

Zhao, Zaire Commissioner Confer

OW031252 Beijing XINHUA in English 1238 GMT 3 Jan 83

[Text] Kinshasa, January 3 (XINHUA) -- Chinese Premier Zhao Ziyang and Zairian First State Commissioner Kengo wa Dondo expressed their common desire to further cooperation in all fields between the two countries during their talks here today.

The talks held at the Zairian Government office this morning proceeded in a cordial and friendly atmosphere.

Present on the occasion were Chinese State Councillor Gu Mu, Minister of Foreign Affairs Wu Xueqian, Zairian Commissioner of State for Foreign Affairs and International Cooperation Kamanda wa Kamanda, and others.

This morning, Premier Zhao Ziyang also called on Nzondomyo A'dokpe Lingo, president of the National Legislative Council, at the National Palace. Premier Zhao and President Nzondomyo had a conversation in a cordial and friendly atmosphere.

State Councillor Gu Mu, Minister of Foreign Affairs Wu Xueqian and Chinese Ambassador to Zaire Li Shanyi were present on the occasion.

Then Premier Zhao, accompanied by Nzondomyo, toured the National Palace where Zairian national hero Lumumba proclaimed the country's independence on June 30, 1960. Since then the palace has become one of Zaire's historical places.

At the end of his visit, Premier Zhao wrote the following remarks in the visitor's book:

"The Zairian people solemnly proclaimed the independence of their country at this place in 1960. Today, Zaire is devoting itself to developing national economy and thus striving for an economic independence. I am convinced that an independent, strong and prosperous Zaire will stand firm at the center of the African Continent."

## More on Zhao, Mobutu Talks

OW032022 Beijing XINHUA in English 2002 GMT 3 Jan 82

[Text] Kinshasa, January 3 (XINHUA) -- Zhao Ziyang, premier of the State Council of China, and Mobutu Sese Seko, president of Zaire, held the second round of talks while cruising on the Zaire River on board the presidential boat at noon today. When Premier Zhao and his entourage embarked on the boat, they were welcomed by President Mobutu. Then, Premier Zhao and President Mobutu met for a tete-a-tete.

At 2:20 p.m. the boat arrived at the famous port of N'sele. N'sele, the birth place of the Zairean popular revolutionary movement, is now a center of the country's political activities and a popular resort. The Chinese guests were warmly welcomed by the local people. Then, accompanied by Zaire's First State Commissioner Kengo wa Dondo, Premier Zhao and his party toured the presidential domain about 50 kms away from the capital. The premier went around a feed-processing plant and a poultry farm with great interest.

When he learned that Chief Director of the Domain Bongo Polo is just 28 years old, Premier Zhao said Third World countries need a great number of capable young cadres in their national construction.

Premier Zhao wrote in the visitors' book that he believes that guided by the policy of "taking agriculture as the central task" the Zairian Government and people, through unremitting efforts, will surely overcome all difficulties and obstacles in their way of advance, reinvigorate agriculture, develop economy and bring Zaire to prosperity.

## Further On Two Leaders' Talks

OW040254 Beijing XINHUA in English 0223 GMT 4 Jan 83

[Text] Kinshasa, Jan. 3 (XINHUA) -- Zairian President Mobutu Sese Seko said today that his country pursues a foreign policy of neutrality and non-alignment, of safeguarding its state sovereignty and tolerating no foreign interference in its internal affairs. Mobutu said this during his second round of talks with visiting Chinese Premier Zhao Ziyang on the way for a visit to the N'sele plantation in suburban Kinshasa this afternoon.

The President Mobutu explained Zaire's foreign policy and views on certain international issues. He said Zaire is for maintaining good-neighborly and friendly relations with its neighbors: as in the past, it firmly supports national liberation movements and does its utmost to maintain African unity.

On African issues, Mobutu said the Organization of African Unity (OAU) is facing a crisis and Zaire firmly upholds the principles of the OAU Charter. He said that Zaire actively supports the independence of Namibia and does not approve linking Namibia's independence with the withdrawal of Cuban troops from Angola. He said that his country is opposed to the racist and apartheid policy pursued by South Africa. The minority rule over the majority of people in South Africa is unjust, he said.

Referring to the Middle East problem, Mobutu said that Zaire has firmly supported the Palestine Liberation Organization since 1967. Although it has resumed diplomatic relations with Israel, Zaire insists that a solution of the Middle East definitely could not ignore the existence of the PLO. The Palestinians have the right to return to their homeland and to establish their own state, and Arab countries have the right to recover their lost land, he added.



He also said that Zaire has identical views with China on the Afghan and Kampuchean problems.

The Chinese premier said that China is concerned over the difficulties and problems confronting the Organization of African Unity and hopes that the leaders of the OAU member countries will work for an appropriate resolution of these problems. The superpowers alone do not wish to see unity and solidarity in Africa, he said.

The premier held that the talks between the leaders of the two countries are successful, and the two rounds of talks have enabled him to understand Zaire better. He appreciated Zaire's position of safeguarding its independence and sovereignty and ridding itself of foreign control. He said the two governments have many points in common in their foreign policies. Both of them persist in an independent foreign policy, safeguard the legitimate rights of the Third World countries and share a strong desire to further develop the friendly relations and cooperation between the two countries.

The two sides held that the present international economic order is not satisfactory and expressed their readiness to work for the establishment of a new one, the Chinese premier said.

Premier Zhao said that he was satisfied with the result of his visit and the Zairian people's profound friendly feelings toward the Chinese people have left a deep impression on him.

President Mobutu held that "Zaire and China share identical views on many international problems." He also said, "There are no problems between us. Our relations are very harmonious."

Premier Zhao once again invited President and Mrs Mobutu to visit China at an appropriate time.

During his meeting with president of the National Legislative Council Nzondomyo A'dokpe Lingo this morning, Premier Zhao, on behalf of chairman of the Standing Committee of the Chinese National People's Congress Ye Jianying, invited him to visit China.

Premier Zhao also met with diplomatic envoys of various countries to Zaire at the Palais de Marbre (the Marble Palace) this afternoon.

Wu Xueqian Interviewed

OW040318 Beijing XINHUA in English 0251 GMT 4 Jan 83

[Text] Kinshasa, January 3 (XINHUA) -- Chinese Minister of Foreign Affairs Wu Xueqian, in an interview with the Zairian press this afternoon, said China's economic and technological cooperation with African countries is guided by the principles of equality and mutual benefit, emphasis on practical results, diversity in form and common development.

He said the talks between Chinese Premier Zhao Ziyang and Zairian leaders indicated that there exist broad areas and prospects for economic and technological cooperation between the two countries. He said that in the talks the two sides explored new forms and channels for their economic and technological cooperation. The Zairian side agreed that this cooperation may take the form of joint ventures for economic projects in addition to the loan and aid that have been provided. Both sides hoped that fruitful cooperation between the two countries will provide useful experience for "South-South" cooperation in general, he said.

On economic cooperation between the developing and the developed countries, Wu Xueqian said that so far as he can see from China's experience, this cooperation should be conducive to augmenting the ability of the developing countries to develop their national economy through self-reliance. The developing countries should first of all try to establish an independent system of national economy by relying on the working enthusiasm of their people and by making energetic efforts to train their own personnel, he added.

Turning to the Namibian issue, he pointed out that Namibia has not gained independence yet because of the obstruction from the racist regime of South Africa. The South African authorities' stubborn position was backed by a superpower.

He reaffirmed that China resolutely supports the struggle of the South-West Africa People's Organization for national independence and the efforts made by the front-line states for Namibia's independence. China is opposed to the biased stand of some Western countries toward the South African authorities.

Answering to a question about the non-aligned summit to be held in New Delhi, Wu Xueqian reaffirmed that China supports the principle of the Non-Aligned Movement and the non-aligned states' policy of non-block, independence, non-interference and non-aggression. He praised the non-aligned countries for their positive role in international affairs and pointed out that at the last non-aligned summit Democratic Kampuchea's seat unjustifiably had been left vacant.

He expressed the hope that the Kampuchean Coalition Government's legitimate seat will be restored at the coming summit in New Delhi. He pointed out that Norodom Sihanouk is the chairman of Democratic Kampuchea and one of the founders of the Non-Aligned Movement and is fully entitled to attending the non-aligned summit.

Referring to the Iraq-Iran war, the Chinese foreign minister said that China maintains good relations with both countries and will continue its efforts to bring an early end to the war between these two Third World countries and to have their disputes settled through peaceful means.

On Sino-Soviet relations, he said China sincerely hopes for a normalization of state relations with the Soviet Union. He added the principal Soviet leaders have expressed the desire for improving relations. The problem now is that the Soviet Union should take concrete actions to remove the obstacles in the way. He reiterated that China is opposed to the Soviet policy of aggression and expansion but is desirous to hold consultations on improving the relations between the two countries.

#### Zhao Leaves Zaire

OW040832 Beijing XINHUA in English 0819 GMT 4 Jan 83

[Text] Kinshasa, January 4 (XINHUA) -- Chinese Premier Zhao Ziyang left here for Brazzaville this morning (local time) after a 48-hour official goodwill visit to Zaire.

During his stay here, Premier Zhao held two rounds of talks with Zairian President Mobutu Sese Seko. The two leaders discussed current major international issues and shared identical views on many of the problems discussed.

Premier Zhao also held talks with Zairian First State Commissioner Kengo wa Dongo on further cooperation between the two countries.

## Zhao Arrives in Congo

OWO40836 Beijing XINHUA in English 0831 GMT 4 Jan 83

[Text] Brazzaville, January 4 (XINHUA) -- Zhao Ziyang, premier of the State Council of China, arrived here from Kinshasa this morning for an official and friendship visit to the Congo at the invitation of the Congolese Government.

Sino-Congolese relations of friendship and cooperation have been growing steadily in the 19 years following the establishment of diplomatic relations between China and the Congo in February 1964. Premier Zhao's current visit will further enhance the understanding, friendship, unity and cooperation between the two countries.

## Zhao's Arrival Statement

ABO41000 Brazzaville Domestic Service in French 0900 GMT 4 Jan 83

[Interview granted to the Congolese press by Chinese Premier Zhao Ziyang upon his arrival at the Mayamaya International Airport in Brazzaville on 4 January 1983 -- live]

[Text] [Question] Mr Premier, since Zhou Enlai, no Chinese premier had come to Africa. Will you please brief us, Mr Premier, on the significance of your tour of the African Continent?

[Answer in Mandarin with sentence-by-sentence translation] The purpose of my African tour is to learn from the African peoples, and my visit to the People's Republic of the Congo is also aimed at learning from the Congolese people. I hope my visit to the Congo as well as my trip to Africa will help to strengthen further the understanding, friendship, solidarity and cooperation existing between the peoples of China and of Africa, between the peoples of China and of the Congo.

On this occasion I am very happy to be here on a friendly and working visit to the People's Republic of the Congo at the invitation of his excellency the president, the government and people of the Congo. We are very deeply touched by the grand, warm and solemn welcome accorded us by his excellency the president, the government and people of the Congo as soon as we set foot on the soil of your beautiful country which has abundant natural resources. Permit me, on behalf of the government and people of China, to express my sincere congratulations and high esteem to his excellency the president, the government and people of the People's Republic of the Congo.

Today is the fourth day of the new year and I would like to seize this opportunity to wish the people of the Congo new victories under the leadership of his excellency the president and of your party and your government. Also, I wish the People's Republic of the Congo prosperity as well as good fortune to its people. I thank you.

FURTHER COVERAGE ON ZHAO ZIYANG'S AFRICA TRIP

## Zhao's TV Interview in Morocco

LD011752 Rabat MAP in French 1000 GMT 1 Jan 83

[Text] Rabat, 1 Jan (MAP) -- Zhao Ziyang, Chinese premier, said in an interview on Moroccan television that the talks he had with Moroccan leaders in connection with his visit to Morocco have given "a new impetus to the two countries' joint action to strengthen bilateral cooperation." Regarding this, he called the audience granted to him by King Hasan II in Marrakech as "very important." "The sovereign had shown particular attention to the development of friendly relations between our two countries," he added.

"My visit to Morocco," he said, "has been crowned with success because it has permitted increased cooperation and strengthened solidarity between Morocco and China."

In the Arab context the Chinese premier repeated his country's support for the Arab peace plan adopted by the 12th Arab summit of Fes, "which has achieved the unity of Arab ranks. This plan," he said, "is at one and the same time reasonable and realistic because it was worked out on sound foundations for finding a just and global solution to the Middle East problem."

He recalled that the Chinese position concerning the Middle East "conforms to that of the Arab countries and the Palestinian people."

The Chinese leader then talked about his African tour and saw "a shining future for the African Continent," mentioning however that "the inter-African discords have been created by imperialism and colonialism." China, he said, is against foreign intervention in Africa, particularly the great powers, and the solution of these problems lies in negotiation and consultation "between the sides concerned." On the other hand, the Chinese premier said he favored the introduction of a new international economic order, stressing that the talks in progress under the aegis of the United Nations between the Third World and the industrial countries must be continued without delay. "The developing countries must nevertheless strengthen cooperation and solidarity among themselves and count above all upon themselves."

Speaking about the forthcoming conference of nonaligned countries in New Delhi (India) next March, Zhao Ziyang expressed the hope of seeing Prince Norodom Sihanouk taking part in this meeting as "head of a Coalition Government of Democratic Kampuchea." "Prince Sihanouk is one of the five founders of this movement, which we support," and to exclude a founding member of this movement, he said, "would be a harmful decision and would not have any reasonable foundation." On the other hand, the premier recalled the achievements attained in China and pointed out that "we are pursuing the implementation of the policy of opening up towards the outside world."

#### Moroccan Papers Acclaim Visit

OW311826 Beijing XINHUA in English 1632 GMT 31 Dec 82

[Text] Rabat, December 31 (XINHUA) -- Moroccan newspapers said today that Chinese Premier Zhao Ziyang's successful visit to Morocco will help strengthen the friendly relations between the two countries. The newspaper AL-BAYANE said in an editorial that the Chinese premier's visit "marked a new stage in the development of Moroccan-Chinese relations." Another paper AL-MAGHRIB noted that Morocco and China share identical views on many major international and regional issues. The cooperation between the two countries is laid on a solid foundation the paper said. The fruitful cooperation between the two countries has proved that geological obstacle can be cleared away easily, the paper said.

#### Comment on North Africa Visits

OW040019 Beijing Domestic Service in Mandarin 1100 GMT 31 Dec 82

[Commentary from "International Current Events" program, by station reporters (Zhao Yongyou) and (Ma Ruiliu) reporting from Rabat: "Premier Zhao Ziyang's Successful Visits to Three North African Nations"]

[Text] Having successfully concluded his visits to Egypt, Algeria and Morocco in the last 10 days, Premier Zhao Ziyang left Rabat, the capital of Morocco, for Guinea on 30 December to begin his visit to black Africa.

Premier Zhao's successful visits to the three North African nations have promoted mutual understanding between the Chinese leaders and the leaders of those countries and have made important contributions to strengthening the friendly relations and cooperation between China and the three North African nations.

The significance and effects of Premier Zhao's visits to the three North African nations extend far beyond these three countries. Including Premier Zhou Enlai's visit to Africa in 1963, Premier Zhao is only the second Chinese premier to visit Africa in the last 19 years. His visit is attracting the attention of the people of Africa and the whole world. International public opinion generally holds that the Chinese leader's visit to Africa immediately after the 12th CPC National Congress shows that China attaches importance to developing its relations with Third World countries.

During his visits in the three North African countries, Premier Zhao repeatedly expounded that the fundamental of China's foreign policy is to develop relations with Third World countries. Premier Zhao emphasized that China adheres to an independent foreign policy. He generalized the policy as 1) opposing the superpowers' hegemonism and defending world peace; 2) strengthening China's cooperation with the Third World; and 3) developing relations between China and other countries, including the United States and the Soviet Union, on the basis of the five principles of peaceful coexistence. Premier Zhao's exposition on China's foreign policy has met with the approval and welcome of the leaders and public opinion of the three North African countries.

The three North African countries, situated on the flank of Europe and on an important line of communication between the Mediterranean Sea, the Indian Ocean and the Atlantic Ocean, hold a very important strategic position. They have always been targets of the superpowers' fierce contention. During his visits Premier Zhao expressed China's support for the nonaligned stand of the three North African nations and praised their efforts to defend the principles and purpose of the Nonaligned Movement. Premier Zhao reiterated that China has not changed its position of opposing the superpowers' hegemonism and that hegemonism remains the source of international tension and war at present.

The Middle East issue was of common concern in the talks between the Chinese leader and the leaders of the three North African countries. Premier Zhao said that the Chinese Government supports all proposals on fair and reasonable settlement of the Middle East issue, that China respects the decisions made by Arab nations and people. Premier Zhao pointed out that the eight principles put forward at the Arab Fes summit are reasonable and realistic, providing a good basis for the settlement of the Middle East issue. Premier Zhao emphasized that all countries have the obligation to help bring about a just and comprehensive settlement of the Middle East issue, not to obstruct settlement.

In Algiers, Premier Zhao met with 'Arafat, chairman of the PLO Executive Committee. He reiterated that the Chinese Government and people resolutely support the Palestinian people's just struggle to oppose Israeli aggression and restore their national rights.

The situation in Africa is another matter of great concern, shared by the leaders of China and the three North African countries. Premier Zhao expressed his full confidence in future development of a vigorous Africa. Premier Zhao pointed out: The African people have the glorious tradition of being united in opposing their enemies during their long struggles.



The historic disputes existing between some African countries today are caused by imperialism and colonialism. They should be settled through peaceful negotiation. Africa's unity and solidarity not only conform to African people's interests, but also help preserve world peace.

The talks between Premier Zhao and the leaders of the three North African nations show that China and the three North African nations hold the same, or similar, positions on all major international issues. Their consensus is primary, although they hold different views on some issues because of their different national situation. A long traditional friendship and good relations of cooperation in economic, cultural and other fields exists between the Chinese people and the peoples of the three North African countries. During his visits Premier Zhao and the leaders of the three countries thoroughly discussed ways to develop economic cooperation further and expressed their strong desire to develop bilateral relations. The strengthening of economic cooperation between China and the three North African countries and between China and other African countries is of great significance in the promotion of South-South cooperation.

#### Zairian Paper Hails Zhao Visit

OW031712 Beijing XINHUA in English 1624 GMT 3 Jan 83

[Text] Kinshasa, January 3 (XINHUA) -- Zairian newspaper ELIMA in an editorial today described Chinese Premier Zhao Ziyang's visit as a new milestone in Sino-Zairian relations.

The editorial entitled "Welcome Mr. Premier" paid tribute to the exemplary cooperation between the two countries. It said that their sincere and friendly relations are based on mutual respect and mutual benefit. This fruitful cooperation "conforms to the historical demands for joint exploitation of their rich natural and labor resources to speed up the development of the two countries and make effective contributions to human progress," it stated. The editorial pointed out that the Sino-Zairian cooperation has provided the opportunities of exchanging experience between the two countries.

Premier Zhao's visit to Zaire has further cemented the Sino-Zairian ties and the Kinshasa residents' warm welcome to the Chinese premier is the most obvious proof of the good relations, the editorial said.

#### Economic Aid to Congo

OW021848 Beijing XINHUA in English 1830 GMT 2 Jan 83

[Text] Brazzaville, January 2 (XINHUA correspondent) -- In Congolese folk legends, there is a good witch who is able to revive the dead. Now, the hydropower station on the Bouenza River has been compared to such a "good witch" because it has brought the Congo's economy back from the dead.

Lack of energy supply had long suffocated the economy before the power station was built. The Congo used to import diesel fuel for power plants. As the price for diesel oil went up, compounded by the deepening economic crisis in the Western industrialized countries, the Congo had to cut diesel imports and generate less electricity, resulting in many factories having to cut production and consequently to see economic losses, domestic electricity was cut drastically.

At the beginning of the 1970's, the Congolese Government decided to build a giant power station on the Bouenza River to solve the country's energy problem.

Under an agreement signed by China and the Congo, construction of the power station started in June, 1975. Four years later, in 1979, the gigantic power station began to display its "supernatural" power.

Factories and sugar refineries, edible oil plants and a cement works in the south which had had to cut production for lack of energy, now were in full production. 241-kilometer high-tension transmission line brought cheap and abundant electricity from the Bouenza Hydropower Station.

The effect on the city of Pointe Noire, commonly regarded as the economic capital of the Congo, was even more impressive. There are more than 1,000 factories there and a population of 300,000. However, there is only one power plant there with outdated equipment. Electricity shortage was very severe. The electricity from the Bouenza Power Station now satisfies the city's needs.

Beginning next year, two petroleum companies and one oil refinery in Pointe Noire will also use the Bouenza Electricity.

With the energy problem solved, the Congolese Government plans to develop magnesium deposits in Bela Mountain in the southern Congo and to build a paper mill and another cement plant to further contribute to the country's economic progress.

Meanwhile, the government has got an increasing amount of revenue from the Bouenza Power Station. For 1983 alone, income from electricity will be able to offset the total investment for the power station and its power transmission facilities i.e. 11.5 billion cf francs (about 32.2 million U.S. dollars), it is estimated.

The construction of the hydropower station is a proof of the Sino-Congo friendship. The place where the present power station is, used to be stretch of primitive jungle infested by mosquitoes and flies. The area was swamp and quagmire and there was no bridge across the river. All this was no obstacle to the Chinese and Congolese workers.

Once, a team of Chinese technicians and Congolese workers had to survey the route for a section of the station's power transmission line through a thick jungle. To reach one place, they had to splash and struggle through swamps, climb rocky ridges and eventually, after a 13-hour struggle, they reached their destination at the top of a peak.

The day the power station's inaugural ceremony was held, the Congolese newspaper the MWETI published a commentary lauding the Bouenza Power Station as "the greatest example of Congolese-Chinese cooperation."



ALL-ARMY CHIEFS OF STAFF CONFERENCE CLOSES

OWO31834 Beijing XINHUA Domestic Service in Chinese 1233 GMT 3 Jan 83

[Text] Beijing, 3 Jan (XINHUA) -- The PLA all-army chiefs of staff conference closed today. The conference called for further implementing the guidelines of the 12th CPC National Congress and striving to create a new situation in military work in the new year.

Before and during the conference, Deng Xiaoping, chairman of the Military Commission of the CPC Central Committee, and Vice Chairmen Ye Jianying, Xu Xiangqian and Nie Rongzhen gave important instructions on strengthening army building.

The conference earnestly studied the opinions of the leading comrades of the Military Commission, summed up military work in 1982 and studied how to create a new situation in military work in the new year and how to strengthen the building of a modernized and regularized revolutionary army.

Yang Shangkun, permanent vice chairman of the CPC Central Committee Military Commission, pointed out in his speech: To create a new situation for army building, it is necessary to implement the guidelines of the 12th CPC National Congress in an all-round way, accelerate the revolutionization, modernization and regularization of our army, further enhance the defense capability of our army under the conditions of modern warfare in order that our army will become an iron great wall for defending the socialist motherland and an important force for building socialist material and spiritual civilizations. To this end it is necessary to intensively study the guidelines of the 12th CPC National Congress and the 5th Session of 5th NPC, seriously eliminate the "leftist" and rightist ideological influences so as to lay a good ideological foundation for creating a new situation. The military and political qualities of the cadres and their scientific and cultural levels must be raised. The commanders, in particular, must not only have a high degree of political consciousness and the courage to subdue all enemies, they must master more scientific and cultural knowledge and possess more skills in the art of commanding and of directing a modern war. Building of the leading bodies must be strengthened.

The middle-aged and young cadres with good political and ideological background, revolutionary fervor, scientific and cultural knowledge and who are in the prime of life and competent must be boldly promoted to the leading posts in order to accelerate the succession of the new cadres to the old cadres and quicken the tempo of building a contingent of cadres who are more revolutionary, younger in age, better educated and professionally more competent. The party's policy toward the intellectuals must be seriously implemented in order that a new atmosphere of respecting knowledge, science and intellectuals will be fostered. Regularization of the army must be properly conducted and the building of a reserve force must be strengthened.

He emphatically pointed out that to improve the work style and method of the leadership is very important to creating a new situation of army building. He called on the leading cadres at all levels to concentrate their efforts on conducting investigations and studies in order to discover new situations and solve new problems.

Yang Dezhi, chief of the PLA General Staff, emphasized in his summing-up speech: In order to create a new situation of military work, it is necessary to continue to eliminate "leftist" influence in ideology and in practical work, resist and oppose the tendency to bourgeois liberalism, truly identify ourselves with the party Central Committee ideologically and politically and do military work in a still better way in the direction pointed out by the 12th CPC National Congress. We should firmly put the stress of military work on stepping up the building of a modern and regular revolutionary army and on enhancing the PLA's self-defense capability.

We should adhere to Mao Zedong's Thought on army building and firmly take our inroad of army building. We should maintain our army's fine traditions, strategics and tactical thinking, salient features and strong points. We should also consider the characteristics of modern warfare and learn from others anything useful to us. We should adopt an overall point of view that national defense construction must be subordinate to national economic construction.

He urged all PLA commanders and fighters to enhance revolutionary vigor and make still greater contributions to creating a new situation of military work in the new year.

On behalf of the General Staff Department, Zhang Zhen, PLA deputy chief of General Staff, delivered to the meeting a report entitled: "Seriously Implement the Guidelines of the 12th CPC National Congress; Strive To Fulfill the 1983 Tasks and Create a New Situation of Military Work." In his report he put forward a long-term plan and the 1983 tasks and concrete measures for creating a new situation of military work.

Other responsible comrades, such as Yu Qiuli, Zhang Aiping and Hong Xuezhi, also addressed the meeting.

#### WAN LI 5 NOV SPEECH ON DEVELOPING AGRICULTURE

HK281401 Beijing RENMIN RIBAO in Chinese 23 Dec 82 pp 1, 2, 4

[Speech by Wan Li [8001 6849] on 5 November at a joint session of the conference of agricultural secretaries and conference on rural ideological and political work: "Further Develop the New Phase of Agriculture Which Has Already Been Opened Up"]

[Text] This rural work conference, besides being attended by secretaries in charge of agriculture in all provinces, municipalities and autonomous regions, has also invited heads of the propaganda departments. At this conference, rural ideological and political work has been first discussed, and followed by a discussion of policies and production. The party's 12th national congress has emphasized the point that the two civilizations should be grasped simultaneously, so we have combined our two conferences and grasped both material and spiritual civilizations. Over the past 3 years and more, rural areas have experienced a great change and we have gained rich practical experience. Through our joint efforts, a new situation has emerged in all fields of rural work. How to implement the spirit of the 12th party congress and further develop the new phase which has been opened up is the purpose of this conference. It is very necessary and appropriate to the time that the conference starts with ideological and political work. Comrade Deng Liqun has talked about problems in this aspect. He has given a good speech and I agree completely with him. Here, I would like to talk particularly about issues concerning the situation in rural areas and the rural economic policies. This will be dealt with in four aspects:

#### An Unprecedented New Phase Has Emerged in Rural Areas

The 3d Plenary Session of the 11th CPC Central Committee marked a great turning point in the history of our party since the founding of New China. Since then, our party has reestablished a Marxist ideological line and begun to set things to rights in an all-round way. Through the discussion on the proposition that practice serves as the sole criterion of truth, the theory of the "two whatevers" has been criticized; the ingrained ideology of dogmatism and personality cult which has hampered our initiative for a long time and all kinds of habits formed under the influence of "leftist" errors which existed for many years have all been smashed; and people's minds have thus been emancipated.

The central leadership first paid attention to agriculture and decided that all policies must proceed from giving full play to the superiority of the socialist system and to the initiative of 800 million peasants. The central leadership's decisions emphasized that it was necessary to guarantee the right of production teams and peasants to autonomy, to restore and expand peasants' private plots, household sideline occupations and trade fairs, and to establish various responsibility systems. In order to readjust the agricultural structure and make it possible for the peasants to regain and build up their strength, the state decided to import 15 million tons of grain each year and raise purchase prices for major agricultural and sideline products by a big margin. Then it laid down the principle for developing diversification. All this has greatly aroused the enthusiasm and initiative of the hundreds of millions of peasants. Our agriculture which was stagnant for a long time in the past has begun to thrive. Natural calamities of flood and drought in the past 4 years were no less than previous years, but the total output value of agricultural production in the country has maintained sustained development, with a yearly increase of 5.6 percent. Although the area for planting grain was reduced by 100 million mu since 1979, the general output value has greatly increased. The last three years have been the years when the grain output value was the highest since the founding of the PRC. As a result of an overall bumper harvest this year, it is estimated that the general grain output value may reach over 670 billion jin and cotton output value over 66 million dan. The output of most industrial crops may also reach a new high since the founding of the PRC. Due to the development of production, peasants have supplied more and more agricultural and sideline products and industrial raw material to the state. Peasants have continuously increased their incomes, and their lives have been significantly improved. Great changes have taken place in the fields of food, clothing, housing and consumption. Typical cases are numerous. What is most gratifying is that remarkable changes have taken place in many poor and backward areas. For many years in the past, more than 150 million peasants had not solved the problem of not having enough food to eat. Difficulties were most serious in 10 big areas with a total of 231 counties. The state had to allocate and distribute plenty of grain and large amounts of money to give relief to them. Except for a few difficult areas in the northwest and southwest, all the other areas have already solved or basically solved the problem of not having enough food to eat. Average personal income increased to over 150 yuan last year in 23 of those counties. They do not need state relief anymore and have repaid the debt and sold plenty of cotton, grain, oil and other sideline products to the state. Although there are still some poor areas in our country, where problems have to be solved through continuous efforts, this vital issue, on the whole, has been basically solved. Many areas and counties previously known for their poverty have totally changed their appearance within 1 or 2 years, after implementing the all-round contract system.

What makes peasants most happy are practical benefits and autonomy. In the past we blindly pursued the dogma of "bigger in size and of a more developed socialist nature," engaged in blind commands and extensive movements, so production could not move forward. Now, peasants have decisionmaking power and are able to independently organize production and arrange their work. Consequently, they do not "go to markets and theaters less frequently than before or harvest less grain and get less money than before." Why are some advanced production teams also willing to implement the system of contracted responsibilities with payment linked to output? One of the important reasons is the increase of economic benefits and autonomy. Having material benefits and decisionmaking power, the 800 million peasants can bring into full play their enthusiasm and initiative and become a mighty force in developing production.

While observing the situation in rural areas, we must not only take notice of the development of agricultural production and the improvement of peasants' life, but also notice the changes in people's spiritual appearance and relationships between people.

For many years in the past, influenced by "leftist" mistakes, we practiced such fallacies as "taking class struggle as the key link," "massive criticism blazing a trail," and "massive criticism stimulating mass movements," and engaged in wanton fighting and punishment, thus damaging the normal relationship between the party and masses. Cadres took more than their own share; party style was impure; and relations between cadres and masses were strained. The implementation of responsibility systems in recent years has solved the problems of cadres of grassroot units issuing blind orders, refusing to take part in labor and taking more than their own fair share. Consequently, the relations between cadres and masses have been greatly improved and there has appeared an atmosphere of equality and cordiality. Never have peasants been more delighted and confident than today since the cooperative transformation of agriculture. This, of course, is an assessment of the overall situation. Comparatively, it does not mean that every place is now bright in rural areas. This is not true. For in many places there still exist many negative phenomena (including some seriously negative phenomena) which need to be eliminated through our efforts. This is a heavy burden left over by the economic and cultural backwardness of many years in our country's rural areas, and cannot be properly dealt with all at once. It is precisely one of the important tasks in current ideological and political education in rural areas to educate the vast number of peasants to resolutely struggle against all these negative things. Anyhow, the great economic and political progress in today's rural areas is a major fact which no one can deny. Some people hold that it will not be easy to fulfill the state plan after implementing the "system of contracted responsibilities with payment linked to output." Such things do exist in some areas, mainly the problem of leadership and the problem of work. So long as we promptly strengthen ideological education among cadres and peasants and make them realize particularly that areas where the contract system has been implemented have reasonable purchase and procurement quotas, all areas will overfulfill the task.

In particular, there occurred in Anhui's Funan County an "incident of refusing to submit grain." When the secretary of the county CPC committee heard about it, he did not dispatch cadres to suppress the masses but personally went there to conduct an investigation. Later, he learned that it was because the cadres of the brigade took more than their own fair share, and it was due to corruption that the village became poor. After implementing the system of assigning land to each household in exchange for fixed levies, the collective retained a substantial amount of profits, but it was not properly explained to the masses what this retention was for. These problems were reported to the commune many times by the masses, but were not solved. The masses intended to arouse the attention of the county CPC committee to solve the problem, therefore, they stored the grain in their houses and were unwilling to hand it out. After investigations made by the county CPC committee, the problem was solved and in only a day the state purchase quotas were overfulfilled. In the past, when the peasants suffered wrongs, they dared not utter a word about it. Now they resist anyone who practices "left" deviation and does evil things. In places where the peasants have implemented the all-round contract system, the commune members question the cadres if they go to "rectify a deviation": "Why should we obey your orders when you do not obey the orders of the CPC Central Committee?" Therefore, it is not that the peasants do not want party leadership or the socialist road, but that they want democracy and insist on being practical.

At the current conference, the Qinghai delegates have expressed the feelings of the peasants of their province: "The current policies are better than ever before; our standard of living is now good; the present situation accords with the will of the people and the enthusiasm of the masses is very high." This is a typical expression.



There are many reasons for such a favorable rural situation and enthusiasm among the peasants. But principally this is due to a series of correct agricultural economic policies adopted by 3d Plenary Session of the 11th CPC Central Committee, of which the key is the implementation of the system of contracted responsibilities with payment linked to output that played the main role.

The core of the system of contracted responsibilities with payment linked to output is "contract." It closely connects the labor and production results of laborers, combines responsibilities, rights and interests together, effectively surmounts egalitarianism and defects of giving blind commands and raising a hue in working. It treats both the leaders of the collective (who offer contracts) and peasants (who undertake contracts) as equal, and fixes relations according to the contract system, thus making it advantageous to implement the socialist principle of "from each according to his ability, to each according to his work." Due to the system of contracted responsibilities with payment linked to output, the status of peasants in the collective economy has changed. They have become workers and managers from being simple laborers and have become genuine masters. The decisionmaking power gained by the peasants gives full play to their initiative and creativeness. This is advantageous to tapping the potential of people's wisdom, land and production condition accumulated through years of construction. In this way we can "make full use of manpower, land and materials." Contract is a combination of unification and separation; it has great flexibility and universal adaptability and must be unified or separated where suitable. But how do we specifically contract? It is imperative to proceed from practice, adopt a variety of methods according to local conditions and not stick to one pattern. Only in this way can we suit the complicated conditions of our rural areas which differ in thousands of ways, and solve the problem of production relations not being suited to production force -- a problem that was not solved for a long period. At present, some areas that are relatively developed economically have implemented the responsibility system of "unified operation and distribution based on contract." We must support and help them. Provided the masses support it, we must not insist on change in places where they continue to use the old method. In a word, we must proceed according to local conditions and respect the will of the masses.

The system of contracted responsibilities with payment linked to output is not an illusion of any one individual but created by the broad masses of peasants under the guidance of the 3d Plenary Session of the 11th CPC Central Committee and gradually explored through practice. It is the result of setting things right and correcting the mistakes of "left" deviation, and an outcome of conscientiously summing up positive and negative experiences. The party Central Committee has respected the pioneering spirit of the masses, persisted in the principle of taking practice as the criterion of truth, seeking truth from facts, making investigations, practice, knowledge, more practice, and more knowledge, concentrating the wisdom of the masses in due time, and summing up their experiences to constantly develop and perfect the responsibility system. Reviewing the experiences of the past 3 years, from not assigning responsibility to assigning responsibility, from fixed targets for work to fixed targets for output and then to contract systems, from the very first "not fixing output quotas for individual households" to later developing fixing output quotas for individual households and to assigning land to each household in exchange for fixed levies and making this the principle responsibility system of most of the areas throughout the country, this has indeed been a great transformation! This is a process of a policy being constantly consolidated and perfected through the development of practice, and a process of concentrating the opinions of the masses, upholding truth and correcting mistakes. Now the documents of the CPC Central Committee have named the various forms of responsibility systems as the system of contracted responsibilities with payment linked to output. It is a scientific and flexible summarization which involves a wide range and covers all other forms of contracts.



Among them, the all-round contract system, also called assigning land to each household in exchange for fixed levies, or the system of contracted responsibilities on a household basis with payment linked to output, is most cherished by the masses for giving clear-cut responsibility, being a very simple method and being directly connected with the interests of the masses. The popularization of the system of contracted responsibilities with payment linked to output is a great creation of the Chinese peasants which cannot be underestimated. It conforms with the national conditions of China and has bright prospects.

It was not plain sailing to popularize the system of contracted responsibilities with payment linked to output. We met with obstructions. These obstructions came mainly from the lack of understanding of a substantial number of our leading cadres. This is because there is a process in man's understanding. Some are fast, some are slow, some are profound and some superficial. Our understanding can gradually be corrected and perfected only through practice, comparison, repetition, revision and replenishment. The "three freedoms and one contract" and "fixing output quotas for individual households" were criticized for years in the past, which made people afraid at the sight of the words "contract" and "household" and virtually became a "conditioned reflex." They were afraid of fixing output quotas for each group, more afraid of fixing output quotas for each household, and most afraid of assigning land to each household in exchange for fixed levies. Who might not be afraid of "the line and orientation?" Therefore, it is indeed a problem of understanding if the majority of our comrades are not convinced of the responsibility system, hesitate to act or even resist it. The CPC Central Committee did not advocate putting pressure on anyone, criticizing or arbitrarily labelling anyone. On the contrary, the CPC Central Committee has always laid stress on making investigations and proceeding from practice, and emphasized that we must act according to local conditions, adopt a variety of forms, let the masses choose democratically, use the experience of selected units to promote work in the entire area, pay attention to preventing a headlong rush into mass action and imposing uniformity on all units, and instead to be a bit slow, steady and solid, and guide in accordance with different characteristics. Practice is the best way to educate people. Through practice, the majority of our comrades have realized from objective facts that the policies of the CPC Central Committee are correct and they are getting more and more similar views.

At present, there are still a few people who are not convinced and they oppose the system of contracted responsibilities with payment linked to output. We must also positively educate them, sincerely and seriously criticize and help them. But they must not stand against the system of contracted responsibilities on a household basis with payment linked to output, or other forms of responsibility systems, which the masses are willing to implement. They must not block them or wash their hands of the matter but must actively support them and help them solve problems as they emerge. This way of doing things accords with the fine tradition consistently proposed by Comrade Mao Zedong. In this way we can attain our aim of distinguishing right from wrong and uniting comrades. Certainly, only by conscientiously summing up experience and raising their understanding can these comrades change from being passive to being active, keep abreast of the developing situation and continue to lead the masses forward.

On all occasions, we must insist in the principle of one divides into two in viewing the situation. The more favorable the situation is, the more sober must we be in realizing our insufficiency and existing problems. From the objective point of view, agriculture is still a weak link in the entire national economy. It is still a long way from modern agriculture and we still rely on nature to a great extent. China has a large population with limited land. What is more, our cultural, education, science and technology is underdeveloped. All these cause great difficulties in the development of agriculture.

The initiative of the peasants is very important. But high as this initiative is, without modern and large-scale industry, transportation and communications, without modern science, technology, culture and education, it will be impossible to achieve a modern socialist agriculture. From the subjective point of view, we still lack experience in building modern socialist agriculture and we are still in the process of exploration. The proportion of illiterates among peasants is not small, cadres also lack professional knowledge and management ability and various aspects of our economic system are unsuitable. These also cause enormous difficulties in the development of agriculture. We still need a process of practice for a considerably long period of time to solve these problems. At present, there are two unhealthy trends that must be immediately checked, that is, wanton occupation of cultivated land and buildings, and the destruction of forests. The CPC Central Committee and State Council recently issued an urgent circular calling on party committees and government at all levels to attach great importance to these trends. There are not just a few places in our country that have only few fen of cultivated land per head. If we do not properly protect them, serious problems may occur. The consequences of destroying forests are rather serious. It is a crime against our later generation, which must be checked with the most resolute measures.

We communists face difficulties squarely, fear no difficulties and are good at fighting difficulties. We have already made a big stride forward in agriculture. We must profoundly realize the correctness of a series of policies since the 3d Plenary Session of the 11th CPC Central Committee and be aware of the favorable conditions and potentials of developing agriculture. Provided we act according to the principles and policies set forth by the 12th CPC Congress, closely rely on and bring the initiative and creativity of millions of peasants into play, give full scope to the role of agricultural production conditions accumulated in the 30 years or so of construction, combine traditional and practical experience with the achievements of modern agricultural science and technology and gradually popularize them, we will definitely be able to overcome difficulties and further develop the new phase of agriculture which has been already opened up. Comrade Hu Yaobang said: We must persist in one dividing into two and scale new heights. The development of our agriculture in the past few years not only gratifies the people of the whole country, but also attracts worldwide attention. This proves that we have scaled new heights. We have the confidence to attain a yet higher goal.

#### The Trend of Development in the Rural Economy

The extensive implementation of agricultural production responsibility systems, the great increase of labor efficiency, the extensive economization of labor force and the marked increase of output and income have vigorously encouraged the broad section of peasants to utilize surplus labor and funds in developing diversified undertakings, dividing trades and labor and developing the commodity production of farm produce and sideline products. The vigorous development of commodity production constitutes a basic feature of the new situation in the rural economy. It marks a beginning of historic significance in the shift of the rural economy from subsistence or semi-subsistence production to specialized and mass production.

While commodity production speedily develops, a new situation has also emerged in the forms of rural economy. In addition to the development of contracted economy, the peasants have also markedly expanded production and operation beyond the contract system. What merits our attention is that a large number of specialized producers who possess technical skills and management capabilities have also emerged in various localities throughout the country. Together with the specialized producers in the contracted economy, they gradually concentrate on a certain speciality, form diversified undertakings and form part-time specialized households. Quite a few of them will even develop into specialized households and as time goes by, more and more people will tend to develop in this direction.

With the expansion of production and the improvement of management standards, quite a few households doing specialized jobs and specialized households begin to voice from different angles demands for cooperation and combination, and some of them have begun to establish various forms of combination according to the principles of being helpful to production and of voluntary participation and mutual benefit.

The new situation that has emerged in the rural economy has manifested its future trend of development. From this we can see the road of development and the prospects of socialist agriculture with Chinese characteristics. We cannot and should not determine every specific step and form of future development. Just as the various forms of the system of contracted responsibilities with payment linked to output are the creation of the broad section of peasants, the specific progress and forms of rural economic development after the implementation of the system of contracted responsibilities with payment linked to output will likewise depend on the wisdom of the peasant masses for their creation. However, we definitely can and should seek and grasp the objective law of development and the general trend and thus widen our field of vision and improve our ability to provide guidance. Judging by the current situation, the shift from subsistence or semisubsistence production to mass commodity production and our efforts to suit the specific forms of rural socialist economy to this process will be a general trend in the development of our rural economy for a certain period of time in the future.

At present, the contracted economy consists chiefly in the cultivation of contracted land. Most of the households doing various specialized jobs do not give up the contracted land. However, with the development of diversified undertakings and the division of specialized jobs, more and more specialized producers will gradually separate themselves from farming and develop into various specialized households. This will be an inevitable process. There is no way if we rely on 800 million people to provide food. Only when a large number of people gradually separate themselves from land, engage in various kinds of specialized production beyond farming and gradually turn farming into a kind of specialized production will it be possible to further improve the percentage of marketable products and attain the socialization of agricultural production. However, this process cannot be accomplished very quickly and should go through a considerably long period of time. With respect to this question, it is better to make a long-term estimate. If we make a long-term estimate, we can shorten it if it develops speedily. Conversely, if we make a shorter estimate, we are liable to repeat the previous mistake of spoiling things by excessive enthusiasm. Only when specialized production and operation have gotten onto the right track, having a stable market and a constant and reliable income and ensuring a practical and rational grain supply, will more and more peasants withdraw from the contracted land. And, only when the peasants are willing to do so will it be possible to gradually realize the practice in which land is contracted to specialized growers.

At present, various forms of contract system based on specialization have emerged in some localities where the economy has developed fairly speedily or where the collective economy has a relatively good foundation. The peasants who have withdrawn from the contracted land still stay in the rural areas to engage in various kinds of specialized production. They have separated themselves from the land but they do not go to cities. This is what they call "departing from the land without departing from the rural areas." This is entirely different from the practice in history, in which some capitalist countries utilized various means to squeeze out the peasants, made them bankrupt and turned them into cheap labor for capital. In the course of the specialization and socialization of China's agriculture, the various specialized productions and operations, with the exception of agriculture, will also gradually be concentrated in some suitable locations in the rural areas, thus forming into many newly-emerging small cities and towns and becoming the centers of rural economy, culture, education, science and technology.

This may be a feature in the process of the socialization of China's agriculture. It is hoped that the urban and rural construction departments will conscientiously conduct investigation and study and formulate plans for the construction of the rural areas.

Many households doing specialized jobs or specialized households are now actively raising funds in order to expand the scale of operation. Some of them engage in long-distance transportation, some purchase tractors or cars for the transportation business and some form partnerships. It is necessary for us to adopt the principles of appropriate relaxation and of adroitly guiding action according to circumstances in order to tap, on a more extensive scale, the potential of labor force, funds, technical skills and resources in the rural areas and, under the guidance of state planning, develop in an all-round way the production of agriculture, forestry, animal husbandry, sideline occupations, fishery and various sorts of production and operation such as extensive or intensive processing of farm produce, improve economic results and continuously strengthen the material basis of the socialist agricultural economy. Naturally, when we relax policy, it is necessary to conduct thoroughgoing and painstaking ideological work, particularly to train cadres and solve ideological problems; at the same time, it is necessary to coordinate it with specific organizational work and draw specific lines of demarcation in applying a policy. We should neither be alarmed nor take the road of retreat when problems arise; nor should we wash our hands of the business, because this tends to make small problems develop into big ones.

Many independent specialized households will gradually move toward combination. This is an inevitable trend. This new combination is different from the collective economy of the three-level ownership by the commune, the production brigade and the production team, with the production team as the basic accounting unit. It is a combination which suits the needs of production development and which is linked by common needs on the basis of voluntary participation and mutual benefit. There are also various forms of combination, such as combination of specialized production, combination of supply and marketing or comprehensive combination of production, supply and marketing and combination of technical services. Some may combine between different communes, production brigades or production teams or even between different regions. This combination is aimed at strengthening service before and after production. That is to say, it is a specialized and socialized cooperation in various aspects such as the popularization of technology, supply and marketing, processing, storage, transportation, crop protection and supply of date. On the question of combination, it is necessary to guide action adroitly according to circumstances. We should never forcibly stipulate the scale and speed of development from the higher levels to the grassroots. We should respect their right to decide for themselves. The managers of the new integrated bodies should be elected or engaged by themselves. We should not send cadres to them from the higher levels, still less should be sent the relatives of leading cadres.

In addition to the system of contracted responsibilities with household, laborer or team as a unit, as well as the various forms of new integrated bodies, there are also in the rural areas some scattered and changeable trades which need special skills. They can continue to be operated individually and need not be combined. The cooperative economy holds a leading position in our rural areas but it does not exclude the individual economy of laborers on a certain scale. They are an essential and helpful supplement to the economy of public ownership. The existence of the individual economy is not a terrible thing because the state can appropriately manage it by utilizing legislative and administrative means to control or readjust its production, operation and income by utilizing such economic levers as pricing and taxation (including progressive taxation), so that they will become an organic component of the socialist economic system. At present, taxation is a particularly weak link and we should quickly adopt measures to strengthen it.



From a long-term point of view, whether we talk of the system of contracted responsibilities, the various forms of new combination or individual operation by laborers, all will gradually move toward specialization and socialization and engage in commodity production. We should greatly increase not only the quantity but also the quality of commodities. At present, due attention has not been paid to the quality of farm produce. In the past we only stressed quantity and self-sufficiency. It was all right so long as we could get enough to eat. Now it is necessary to set forth this problem. There is a quality problem both in grain and in other industrial crops such as cotton, oil-bearing crops, fruits, vegetables, tea, tobacco and medical materials. It is necessary for us to pay ample attention to it. In developing commodity production in the rural areas, we should pay attention to these two questions: 1) We should reduce labor consumption for each unit of a product, that is to say, reduce the cost of products and improve labor productivity. 2) We should suit production to the needs of society and domestic and even foreign markets quantitatively, qualitatively and in both variety and specifications. Only by settling these two points will it be possible for us to attain better economic results and prevent blind development and great fluctuations in development. If we have produced a lot of commodities which do not conform to market needs in both variety and quality, not only will the consumer suffer losses but also the producers will fail to attain due results and even waste labor for nothing. Therefore, only by greatly increasing the quantity and improving the quality of commodities and unclogging the channels of circulation so that commodities can flow freely and be sold promptly will it be possible for the rural areas to prosper. This is also beneficial to the state and society.

Since the system of contracted responsibility with payment linked to output was put into effect in rural areas, the problems of production and distribution have been solved, but the circulation problem has not yet been solved. The present situation is that rural commodity production has been vigorously developing, but circulation links have not yet been able to keep pace with this development. Many local agricultural and sideline products can not be shipped to markets in time. As a result, these products are stockpiled in producing areas while a shortage of these goods appears in market places. A large quantity of fresh goods have thus rotted. This has become a prominent contradiction, a problem which urgently needs to be solved.

Along with the development of diversified economic forms and the division of trades and labor, the former institution of integrating government administration with commune management and the three-level system of ownership of the means of production in the people's commune, with ownership by the production team as the basic form, will inevitably be changed according to the demand of rural economic development. With the development of productive forces, production relations and the superstructure also need to be readjusted and changed correspondingly. However, prudence is necessary when approaching the reform of the commune institutions. We should not require each level to reform from top to bottom by prescribing a time limit for fulfillment. Before suitable new organizational forms can replace production brigades and teams, we should not recklessly change them and thus avoid bringing about a disorderly situation. In many places, communes, production brigades and teams have certain collective assets. When studying and carrying out institutional reform, we must protect and make better use of these assets and should never cause losses to them. Therefore, we must avoid indiscriminate practice and reckless mass action in the reform of the commune institutions; instead, we should carry out reform in communes where conditions are ripe one after another. Even in the same county, we should not demand that reform measures be same in different communes. We should not follow the same practice as in the previous movement of forming people's communes.



In those days, when people's communes were said to be good, communes were set up in the countryside throughout the country within a few months. Now we should not force changes everywhere indiscriminately when a change is said to be necessary. Our country is so large and the conditions are so complex that the work method and style of handling affairs by taking indiscriminate measures and rushing headlong into mass action must be thoroughly overcome.

The size of production and operation handled by most scattered contractors, various new integrated bodies and self-run specialized households is relatively small. These production and operation units of small size are developing toward specialization to an increasingly profound degree. Their production is gearing to socialized commodity production. This mode of production conforms to the cultural, technological and management levels of the vast number of agricultural producers in our country and provides conditions for Chinese peasants to bring their wisdom and intelligence into play. It is also conducive to the utilization of the large number of small-sized and simple production tools and facilities so as to achieve the result of quick returns and high benefits by using less investment and funds with more labor force being absorbed. Consumption of energy can also be reduced so as to avoid the drawbacks of the so-called "petroleum agriculture." Therefore, the coexistence of the individual economy and the collective economy based on taking households or household groups into the units of labor and production and operation may be suitable for most areas in our country and may be in conformity with the characteristics of most areas' agriculture, so it has strong vitality. In short, the mode of production of small size which is gradually developing toward specialization and socialization may be a good way to develop a socialist agriculture of Chinese style.

As to the suburban areas of some large cities and some regions where the economy is particularly developed, the current operation forms which are in conformity with the conditions of local productive forces or which the masses do not need to be changed can remain unchanged; but if the masses demand the exercising of the contracting system of linking output with payment, this demand should no longer be held back. We should genuinely show respect for the will of the masses. The masses should have the right to make the decisions according to the local conditions. We should adhere to the mass line.

Agricultural production should take the road of specialization and socialization. This is a general and far-reaching tendency. The purpose of pointing out this tendency is to ensure that we can clearly realize the goal of advance. Under the current actual conditions, we should pay special attention to giving full play to the superiority of the household (or group) contracting system. This superiority is reserved in millions of households. The potential is extremely great. We should notice that for a fairly long time to come, our grain production and the production of many agricultural and sideline products of commodity nature will mainly rely on millions of peasant households. So, only when the enthusiasm of millions of peasant households is fully aroused can we place stress on developing key and specialized households and enable the development of key and specialized households to further stimulate millions of households to display their initiative. At present, the major task should be to continue to stabilize and improve the system of contracted responsibility with payment linked to output, to properly handle the relationship of integration and division, to seriously do a good job in signing and fulfilling contracts and to effectively strengthen ideological and political work so as to further bring the initiative of the vast number of peasant households into play. When dealing with all these problems, we should, on the one hand, prevent and overcome the practice of running all things by a few leaders without consulting the masses and forcing things ahead by issuing mandatory orders; and on the other hand, we should also prevent and overcome the phenomena of abandoning leadership and letting things drift. We should adroitly guide the peasants to advance according to circumstances.

In his report to the 12th party congress, Comrade Hu Yaobang pointed out: "The responsibility system for production set up in various forms in the countryside in recent years has further emancipated the productive forces and it must be adhered to for a long time to come. The thing for us to do is to gradually perfect it on the basis of summing up the practical experience of the masses. In no case must we make rash changes against the will of the masses, still less must we backtrack." This is our general guiding principle.

#### All Departments Should Serve the Development of the Rural Economy

A major issue that merits our attention at present is that agricultural production has developed and the initiative of the peasants to develop commodity production has been aroused, but the work of various departments lags behind, unable to suit the developing situation. Science and technology, and education and the circulation links are most unsuitable to the developing situation. The latter is more conspicuous at present. The superstructure should serve the economic base. The work of all central departments should serve the peasants and agricultural development. All departments should foster this idea and support agriculture from all directions (formulating a unified plan and some laws and regulations which serve as a guide to agriculture also constitute a service). Generally speaking, we should suit our work to the needs of agricultural development and should not demand that the peasants suit the convenience of our management. There are two possibilities facing us: If commerce, science and technology, education, the industry that serves agriculture, as well as communications and transportation serve and coordinate with agriculture well, they will protect and further develop the initiative and creativity of the peasants and promote the prosperity of the rural economy. If we fail to catch up with the situation in our work, the initiative of the peasants which has run high may also be held back and even suffer setbacks and thus return to the old track. This is by no means alarmist talk. For this reason, we should have a sense of urgency and strive to do our work well. We should not forfeit our chance by being slack in our work. The relevant departments and commissions of the State Council in particular should emancipate their minds, integrate themselves with practice, guide reform work well, set examples in developing agriculture and in serving the peasants, and strive to attain the first possibility and avoid the second one. To be specific, we should pay close attention to the following five points.

#### 1. It is necessary to formulate regional development plans.

We are now investigating agricultural resources and delimiting agricultural divisions throughout the country. In order to further arouse the initiative of the peasants for commodity production, it is necessary for the various regions and even the various counties to adjust measures on the basis of agricultural divisions and in accordance with the local natural conditions, resources and market needs. They should give scope to their superiority, select undertakings and key points of development and put forward tentative ideas for the future. It is necessary to mobilize the masses and experts to participate in the discussions so that the peasants and the leading cadres can widen their field of vision and liberate themselves from the fetters of self-sufficient small production mentality. First and foremost, we should never slacken grain production. Our country has a big population but limited acreage and the grain problem is indeed a major issue facing us. The stability of the grain field still plays a major role in stabilizing grain production. If we fail to stabilize grain production, animal husbandry and diversified undertakings will also be adversely affected. Therefore, we should establish ourselves in an unassailable position with regard to the grain problem. We should not slacken the production, management and marketing of grain, because this constitutes an important condition for ensuring the development of our national economy.

However, if we pay attention only to limited acreage to the neglect of the development of diversified undertakings, it will also be impossible to attain the goal of quadrupling the gross value of industrial and agricultural production. Only by basing ourselves on the steady increase of grain production and fully developing diversified undertakings beyond the grain field will it be possible for the peasants and the state to prosper quickly. We should implement in an all-round way the principle of "never slackening grain production and actively developing diversified undertakings."

Regional development plans should be closely related to the state macroeconomy and they should take the need of the country's economic development into account. If we neglect this need and take into consideration the favorable conditions in our locality only, our products may be turned into most unfavorable conditions because we have to keep them in stock, thus damaging the initiative of the peasants. Therefore, we should not only stress the necessity to give scope to local superiority, but also subordinate ourselves to the state unified planning and take market needs into consideration. It is absolutely necessary to integrate partial and local interests with the interests of the whole, and it is particularly necessary to handle well the questions which are favorable to the overall situation but detrimental to the part or which are favorable to the part but detrimental to the overall situation. We should proceed in everything from the fundamental interests of the people of the whole country. It is necessary to make overall arrangements in strict accordance with the state plan for some industrial crops such as tobacco.

In commodity production we should not pay attention only to production but should have a tentative idea or plan for supply and marketing, transportation, post and communications, data, storage, processing and even packing. In this way we can form a complete set and create conditions for expanded reproduction.

2. It is necessary to improve commercial work and enable commodities to flow freely.

Circulation is closely related to production. It will promote production if we do a good job of it but it will obstruct production if we fail to do a good job of it. On the one hand, we have topped the highest record in grain production so that the phenomenon that the peasants have difficulties in selling grain has occurred in many localities; on the other hand, the state has difficulties in transferring grain so that we have to draw heavily on stock and increase imports to replenish it. On the one hand, there is an overstock of more than 10 billion jin of soybeans throughout the country; on the other hand, bean curd is unavailable in cities. It was said sometime ago that there was an overstock of kelp because it did not sell well. It is said that recently more than 700,000 jin of kelp produced in Fujian has been sold out. There are a lot of similar contradictory phenomena. What do these problems come to? How shall we solve them? They are problems of communications and transportation, price, revenue and operation, which are very complicated and cannot be solved by one department independently. However, the problems must be solved. We should not delay action for it may affect our work adversely. It is hoped that everyone will conscientiously consider various plans. A few days ago I read a letter which a comrade had passed on to me. The letter was written by a peasant in Feidong County, Anhui Province, to his elder brother who worked in Beijing. The letter said: Some people say that the situation in the rural areas is fine but I say it is not fine. Why? Because we cannot sell grain when we have it. We have to go through the back door to sell grain. Sometimes we have to wait for several days and nights in front of the grain shop but we are still unable to sell it. Chemical fertilizer is also unavailable. He said he planned to grow only enough grain for family consumption next year and grow other crops on the rest of the land.

He also said that if the situation went on like this, there would be a drop in agricultural production. The situation reflected in this letter is representative in some localities. It fully shows that impeded circulation has obstructed the development of production and has reached a limit where it has to be reformed.

The masses have a lot of complaints about the irrational commercial system, the commercial style of officials, the style of work of institutions and the poor attitude in attending to customers, and we should make great efforts to rectify them. Naturally, the comrades in the commercial departments, particularly the comrades at the grassroots level, have a very tiring job. During the high purchasing season, they are busy all day long without being able to eat their meals or sleep properly. In spite of this, however, the commercial work in the rural areas still falls short of the development of the situation. In addition to solving the above-mentioned problems, such as communications and transportation, price, finance and operation, there is another way out; that is, it is necessary to have more channels and fewer links and stop the separation and blockade between different regions and the monopoly by one department. If we are not in a position to handle it, we should give the peasants a free hand in their work under proper leadership. The shift from subsistence or semisubsistence production to commodity production constitutes an extremely great change. Each step we take in specialization and socialization should be followed by commerce and other service trade. It is even necessary for them to take another step forward. We should make an ample appraisal of the situation by making full preparation ideologically and keeping abreast in our organizational measures.

It is necessary to speed up our steps in reforming the system of supply and marketing cooperatives. We should change them from state cooperatives into collectively managed ones. We should restore as early as possible their earlier character of being cooperative commerce. We should develop various forms of joint ventures, support the three-in-one combination of agriculture, industry and commerce and enable the state-owned commerce to divide, cooperate and link work with collective commerce on the principles of mutual benefit in order to invigorate the economic exchange between town and country and between different regions. Once cooperative commerce expands its scale, it will face a lot of problems which it is unable to solve. Therefore, it is necessary for cooperative commerce to divide, cooperate and link work with the state-owned commerce. Judging from the experience gained in selected places in Sichuan, Heilongjiang, Henan and Hebei, there is plenty of scope for the reform for it can open up a new situation, enable commodities to flow freely and greatly promote the development of diversified undertakings and commodity production. The problem is that the leading bodies should support it and create conditions for it and should not restrict it in all respects. With respect to this question, it is hoped that it will be seriously discussed in the meeting.

3. It is necessary to establish as quickly as possible an institution of popularizing science and technology and an educational system for serving peasants.

To develop agricultural production must depend on policy and science as well, strictly speaking, as on both science and education. As for the importance of policy, we have talked much about it, and we must continue to grasp it well. Now, what is more important to us is to stress the role of science, technology and education, to establish as quickly as possible an institution of studying and promoting science and technology and to popularize education in the countryside. Education is the basis of science. It is impossible to promote science and technology without education. While the central authorities and provinces concentrate their efforts on tackling important, key projects, organs at and below the prefectural and county levels should focus their efforts on popularizing and promoting science and education.



The stations for popularizing agricultural science run by communes should become centers to disseminate advanced farming techniques and experiences in management work and to train technical personnel. At the same time, efforts must be made to reorganize, perfect and upgrade primary schools, junior middle schools, part-farming and part-study middle schools and the work to wipe out illiteracy in rural areas. Anyway, both spiritual and material civilization must be built simultaneously.

First, it is necessary to reinforce and expand the contingent of agrotechnicians. Since the founding of the PRC, there have been 290,000 graduates from agricultural colleges. Now, less than half of them are engaged in work concerning agriculture, and the rest of them have changed their profession. We must strive to make them return to the profession they were trained for through the formulation of certain relevant policies and ideological work so that they will be able to devote themselves to the work of agricultural science, technology and education. At the same time, large numbers of middle school graduates in the countryside must be trained through different means and methods so that they will become professional agrotechnicians and management staff. These sort of people are much sought after in rural areas, and some peasants call them "the god of wealth."

Second, great importance must be attached to practical experiences of peasants (especially of specialized households and agrotechnical households) so that traditional farming experiences can be integrated with advanced farming techniques. Propaganda departments should make full use of different channels such as broadcasting, television, newspapers, journals, films, books and pictorials to popularize knowledge of agricultural techniques and management and promote results of scientific research. Attention must be paid to the distribution of scientific books and journals and of newspapers in the countryside as peasants now have a strong desire to read newspapers, and are able to afford it. It is imperative to change the present state of backwardness in rural distribution work. This will help not only in promoting the present farm production in all fields, but also in fostering a new generation of educated peasants in our socialist society. All our cultural workers must set eyes on rural areas and must be geared to the needs of peasants so as to strengthen and reform our work in the scientific, educational and cultural field. The increasing demand of 800 million peasants for science, education and culture has demonstrated a broad prospect for developing our cultural undertaking in different aspects.

Third, we must carry out educational reform in rural areas, while sparing no efforts in popularizing education. To run primary schools in the countryside, the remuneration and position of primary school teachers must be improved, and the rate of children of school age entering school must be raised and consolidated. More winter season schools, evening schools and literary classes should be opened for the adult peasants so that they can at least reach the primary school level in a shorter time. There will be certain difficulties in popularizing education in rural areas, especially in some remote areas. However, peasants are now longing to get rich and have come to know the importance of science and technology. This will provide us with favorable conditions for the popularization of rural education. Of course, efforts should be made to strengthen persuasion and education among peasants in this field of work. Most of the existing middle schools in rural areas should be turned into agricultural ones. Curricula should be arranged to meet the needs of economic development in rural areas. Graduates should at least master a certain type of agricultural technique or a certain item of management knowledge so that they will be further trained to become agrotechnicians and management personnel in the countryside. A small number of ordinary middle schools should be maintained in county towns in order to avoid the consequence that peasants will be out of line with higher education.



Universities and colleges in urban areas should dispatch their teaching staff to agricultural middle schools in rural areas to give assistance and guidance in lecturing, compiling teaching materials and improving teaching methods. The system of enrolling students and assigning graduates of agricultural faculty of universities and colleges must be correspondingly reformed. The Education Ministry is very resolute in educational reform. A draft has been drawn up. Discussion shall be made about it among people of various circles before it is made into a plan next year. The institution of studying and popularizing science in rural areas should be identified with educational work by concerted efforts of both educational and agricultural departments. Educational departments must be a step ahead as it takes time to train skilled people. Even if the work begins right now, such people will be brought up and used after 1990. The financing of intellectual resources should increase relatively. We must be far-sighted. Leaders at all levels must be resolved to take action earlier.

4. Work of industry and transportation must be strengthened for the benefit of developing farm production.

China must modernize its agriculture by following the path of low energy consumption, intensive labor and high yielding fields. Intensive labor does not mean there is no need for science, and low energy consumption does not mean there is no need for machinery. Since the system of contracted responsibility with payment linked to output has been instituted, the peasants' demands for small, durable light machines using less fuel and machines for processing farm products has gone up considerably. The manufacture of agricultural machinery must be subject to the needs of farm production. We should not compel peasants to use our products, but we should produce what the peasants need. All the central departments should change their old ideas and habits so as to serve agricultural production, commodity circulation and the development of agricultural science and technology. At present the supply of small tractors, walking tractors, machines for processing farm products and irrigation and drainage equipment can hardly meet demands. In some places peasants have bought agricultural machinery such as tractors, but have no fuel supply. The consumer demand for chemical fertilizers and insecticides cannot be met now. In particular, there is a big shortage of compound fertilizers and insecticides of high efficiency and low toxicity. The relevant industrial departments should exert great efforts to increase output and meet the market demand in time. Chemical fertilizers are necessary, but the country should put the stress on the use of natural organic fertilizers. It is necessary to promote animal husbandry and improve energy sources in rural areas by making use of marsh gas, solar energy, wind, hydroelectric generation and fuel forests. Meanwhile, it is necessary to make good use of compost to increase the fertility of land.

The present transportation system of our country cannot meet the requirements of agricultural production and commodity circulation. Large quantities of farm and sideline products are unable to move out, thus suffering great losses and waste. At the same time, the means of production and livelihood which are urgently needed by peasants are unable to move into rural areas, thus greatly affecting the peasants' production and livelihood. Such a problem must be solved as early as possible. In accordance with the instruction given by Comrade Hu Yaobang, great efforts were made last year to build highways in the area of the Taihang Mountains; now, several million more tons of coal can be moved out than before. Meanwhile, by virtue of this road system, the peasants of Pinshun County have doubled their income from selling potatoes only. In areas with waterways, efforts must be made to dredge rivers so that this cheapest transport line can be fully used.

5. It is necessary to increase accumulation of agricultural funds through the peasants' own efforts to carry out necessary capital construction on farms and other construction work in rural areas in line with local conditions. This is also a long-term policy of China.

Despite the fact that the peasants' income has increased by a big margin and their living standards have greatly improved, it is still necessary to advocate hard work, thrift and the practice of economy. In particular, strict economy must be practiced in residential construction and extravagance and waste must be opposed in wedding and funeral arrangements. Meanwhile, it is not necessary to encourage such consumer activities as tourism. Activities of superstitious belief and gambling must be resolutely prohibited. Comrade Chen Yun said: "We must both feed ourselves and build our country." When one is fed, one must do something for the building of the country. This is also a demand of the peasants. Now, peasants in some places have begun, with their own strength, to do something urgent for them. They act by means of various forms such as raising funds, capital accumulation through labor, expanded reproduction on the household basis or on an individual basis. With the great support and assistance of the governments at all levels, and with joint efforts, they are building schools and cultural centers, carrying out capital construction on farms, repairing bridges, building roads and improving local transport. To build a new socialist countryside, we must rely mainly on the self-reliance of peasants and must not depend completely upon increasing the expenditure of the state. To this end, attention must be drawn to the fact that first there must be real strength and conditions, and then free will must be respected. Leaders at all levels must remember past lessons in this respect. They should not force peasants to do the work of one sort and another "all in a big way," or in the way of "egalitarianism and indiscriminate transfer of manpower, land, draught animals, farm tools, funds and so on." If strength is enough and conditions are available, we must make the best use of the situation. Peasants welcome all measures which are beneficial to the development of agricultural production and the improvement of peasant living standards. From now on, the state expenditures for agriculture will be mainly used on large construction projects which peasants are unable to do with their own efforts, such as large irrigation projects, energy exploitation, main road building, communications and railway building.

There is another major event in rural work, that is, family planning. We must never slacken our work in this respect because of the development of production, but must strictly control this work in order to have better children, better nurturing and better education. To be certain we must pay attention to method and adopt proper measures. It is imperative to prevent and overcome the methods of resorting to force and seriously divorcing oneself from the masses. In order to do a good job in family planning, we must energetically publicize among the peasants that men and women are equal and forbid drowning female infants and ill-treating mothers who give birth to female babies. We must praise and reward those families who give birth to only one female child and male youths getting married and living with the wife's family. We must resolutely wipe out the erroneous ideas that women cannot become rich through labor. As a matter of fact, many women have become experts in certain aspects by raising poultry, pigs, dairy cows, sheep, rabbits, silkworms, earthworms, planting mushrooms and so on, and engaging in various kinds of handicrafts and commercial services. They are also rapidly on the way to prosperity. Those views that regard women are inferior to men are old ideas.

In addition to the above, there also exist the problems of how to further develop the new phase of agriculture in the work of taxation, legislation, industrial and commercial management, environmental hygiene, medical care, cultural activities and distribution of periodicals concerned with rural areas and the work of party organizations, propaganda, mass organizations and other respects. It is essential to examine the work of one's own department, take concrete measures and earnestly solve them.

We intended to climb one storey higher, but where are the stairs? I think there are two ways. One is to let the peasants have ample decisionmaking power and give further play to their initiative and creativity; the other is that all concerned departments must establish the idea of serving agriculture and actively create conditions for the development of commodity production. Provided we succeed in these two ways, our agricultural economy will surely thrive and prosper.

Here, I repeat the problem of further relaxing our policy restriction. At present, the economic activities of a number of places have already gone beyond the current state stipulations. The question of what kind of policies we should adopt deals with a wide range of problems. This has an important bearing on our future work, therefore, we must discuss it over and over again and cautiously deal with it. Preliminary opinions were raised in the forum held in July attended by comrades concerned from more than 10 provinces. We have summoned you to further discuss the problem at this conference. The starting point of all our policies and decrees must be advantageous to giving full play to the initiative and creativeness of laborers and to promoting the circulation of commodities and production. To the economic activities of specialized households and households doing specialized jobs that have gone beyond the current state stipulation, what kind of an attitude must we take? Simply forbid them or appropriately relax the restrictions and adroitly guide their action according to circumstance? By weighing the advantageous and disadvantageous, the Secretariat of the CPC Central Committee holds that it is more advantageous to relax the restrictions and adroitly guide action according to circumstances. By adroitly guiding action according to circumstances, we mean to take appropriate forms and methods to guide these economic activities on to the road of socialism and not develop in the direction counter to socialism. I hope that you comrades will not be restrained due to the above; you can also raise different opinions from various angles and hold full discussion so that our policies and measures will be more satisfactory and geared to actual circumstances.

#### The Key Is To Strengthen and Perfect Party Leadership

The key to further develop the new phase of agriculture which has already been opened up is to strengthen and perfect party leadership at all levels. Since the 3d Plenary Session of the 11th CPC Central Committee, there has been great development in rural fronts and agricultural work. This is inseparable from the leadership at various levels. We have also accumulated some good experiences. While studying and implementing the documents of the 12th CPC Congress, we must link with the practice of our local and department work, conscientiously sum up these experiences and apply them in developing agriculture and all agricultural work and even to overall economic work. I hope that these opinions of mine can serve as a reference for you. Although these things have all been said before, I hope that you will not regard them as platitudes and treat them lightly.

1. We must persist in seeking truth from facts and proceed from practice. Comrade Deng Xiaoping pointed out in his opening address to the 12th CPC Congress: "To integrate the universal truth of Marxism with the concrete realities of China, blaze a path of our own and build socialism with Chinese characteristics -- this is the basic conclusion we have reached in summing up long historical experience." We must always bear this in mind and apply this experience. The development of popularizing the system of contracted responsibilities with payment linked to output is unbalanced. The development in some places is fast, their results are good and the masses are satisfied.

The main reason is that the leading cadres of these places did not concentrate on the higher levels or study alone, but emancipated their minds, broke conventions, solved problems by proceeding from realities, dared to blaze new trails and had the courage to develop. It is essential to adhere to the fundamental orientation and principle in the practice of socialism. But the specific forms and concrete methods can be varied. We must be bold in making practice and new creation. In the past, due to the influence of erroneous "left" deviation over a long period, we had a lot of misunderstandings of socialism that formed into conventions restraining our thinking. We have eliminated a lot of conventions and erroneous ideas in the past few years, but we cannot say that we have completely wiped out the influence of "left" deviation. Some comrades are not definitely influenced by "left" deviation, but that they are stuck in the old ways, have a rigid way of thinking, are not sensitive to new things, always hesitating and cannot catch up with the situation. The system of contracted responsibilities with payment linked to output is bound to bring about a profound change and complicated problems. It is necessary to fully take this point to account, go to the basic levels to make investigations, realize new conditions and solve new problems. At present, the masses are going full steam ahead and new creations are emerging one after another. If we always stay in the office and follow the conventional way in running affairs, then we are bound to make mistakes. Some comrades have said at the present conference: "Whoever make more investigations at the basic levels, his thinking is more emancipated." This is true.

2. Adhere to the work method of mass line. The method of seeking truth from facts is closely related to the mass line. Without adhering to the mass line, we cannot genuinely use the method of seeking truth from facts. The masses are the main force in practice and the creators of history. How did the "all-round contract system" come up? It was created by the masses. How did the phenomenon of "specialized households" turn up? It was also the masses who took the initiative in working out this form. The task of leaders is to sum up the experience of the masses and then to set forth principles, policies and methods which reflect the will, interests and needs of the masses and put them into practice among the masses. This is the work method of "from the masses, to the masses." Comrade Mao Zedong once said that educators have the duty to be educated first; they should be students first and then be teachers; if they do not learn from the masses, they will not be qualified to lead the masses. These words have always been said by all of us, but quite a few comrades have not really taken the mass line. They tend to feel that they are cadres or, that is to say, leaders, so they must be much wiser and cleverer than the masses. They like to order people about and do not like to consult the masses. At this conference we have discussed the problem of how to assess the peasant ranks. This problem is very important. Comrades from Shanghai have investigated the conditions of peasants in Shanghai's suburban areas and have put forth some inspiring opinions. I feel that this is a good thing. In general, socialism will not spontaneously emerge among the peasantry; the party of the working class is needed to imbue the peasants with Marxism-Leninism-Mao Zedong Thought. However, history is advancing and the peasants in the 1980's are different from the peasants in the 1950's and even more different from those before liberation. Viewing the changes in the countryside in recent years, we find that the Chinese peasants do sincerely support the Communist Party and are willing to follow the Communist Party in taking the socialist road. What they want to shake off are those old conventions of "eating from the same big pot" and all "exorbitant taxes and levies" that have impeded the display of their initiative. That is to say, they want to shake off those "leftist" errors and subjectivist and bureaucratic leadership but not socialism. Moreover, they hope that things can be handled according to China's conditions and they want to build socialism with Chinese style. The initiative and creativity of hundreds of millions of peasants has played a huge promotive role in the development of history.



The two aspects of the peasantry should both be taken into account; otherwise, we will fall into the mistake of one-sidedness. Nevertheless, we should first learn from the peasants with a modest and sincere attitude, not just pay lipservice to it. Only thus can we fundamentally solve the problem of mass viewpoint, mass feeling and mass line.

3. Strengthen ideological and political work. Ideological and political work is the guarantee for economic and other work. The 12th party congress has decided to build the two civilizations simultaneously. This has made the importance of ideological and political work more prominent. It not only ensures the socialist orientation of our economic development and plays a huge promotive role in the building of material civilization, but is also a central link in the building of socialist spiritual civilization. Many good experiences have been exchanged at this conference. This can be said to be a good beginning of combining rural ideological and political work and economic work. Comrades in charge of agriculture and comrades engaging in propaganda work should unify their understanding and cooperate with each other so as to better effect the combination of ideological and political work with economic work. Each of our economic workers should be at the same time an ideological and political worker. The primary task in the ideological and political fields this winter and next spring is to study the documents of the 12th party congress and to implement the spirit of this congress. Other things should all revolve around this center and be subordinate to this center. Lenin once said that peasants are the most pragmatic. To do ideological work among the peasants, we should not just talk empty and abstract theory; instead, we should link ideological work with reality and direct the propaganda at actual problems. Now some peasants are still afraid that our policies will change. We should publicize and explain our current policies in connection with the spirit of the 12th party congress so as to clear away their misgivings. That is to say, we should strengthen the building of socialist spiritual civilization, conduct communist ideological education, educate party members in the countryside about the new party constitution, help the peasants to shake off their old traditional mentality and narrow viewpoint, establish revolutionary ideals and morality and promote the "five stresses and four beauties" and the "three loves" (the love of our motherland, socialism and the party). At the same time, we should also strictly implement all current economic policies and effectively protect the enthusiasm of the peasants in making themselves rich by labor. We must prevent the mistake of one-sidedness; otherwise, the peasants will fear that the responsibility systems will be changed again and the "tendencies to practice communism" will come again. In addition, the peasants are now very keen on studying science and technology. We should take the popularization of scientific knowledge and advanced experience of management as important parts of propaganda and educational work oriented to the peasants at present. Ideological work among the peasants is to be carried out by cadres and party members, so we should attach importance to the training of rural cadres and party members. We must not begrudge money spent on this work. A group of experts needs to be invited and a number of competent comrades should be assigned to specialize in this work which we should take as a matter of importance. The success in this work will not only create a basic condition for the strengthening of rural ideological and political work, but will also lay a foundation for the work of consolidating our party, in which experiments will start this winter and next spring and the overall movement will start in the second half of next year throughout the country.

Now, with such high enthusiasm existing among the peasants and so many new creations in rural areas, the conditions are favorable for ideological and political work to play a role. It is hoped that comrades can do a good job in this field by adapting our work to the situation and peasants' demands and in connection with the tasks of conducting the yearend distribution, perfecting the responsibility systems, drawing up production plans for next year and concluding contracts so as to further emancipate people's minds, promote the reform and make new contributions to the development of the new situation which has been opened up.



RENMIN RIBAO URGES PROMOTING FOREIGN TRADE

HK310948 Beijing RENMIN RIBAO in Chinese 31 Dec 82 p 4

[Editorial: "Viewing Foreign Economic Relations and Trade in Light of the Overall Situation"]

[Text] Promoting foreign economic relations and trade is a task which is of great importance to the overall situation. In order to create a new situation in all fields of socialist modernization and fulfill the goal of "quadrupling" the total industrial and agricultural output value, we must extend our field of vision, cast off all yokes and observe and consider all problems in light of not only the domestic situation but also the international situation. We must exploit our resources at home as well as abroad, open up the domestic market as well as the world market, and learn how to build our country as well as how to develop foreign economic relations and deal with foreign entrepreneurs. No country in today's world can develop at a relatively high speed without maintaining contacts with other countries. And, a country cannot possibly own all the resources it needs and thus manage to be self-supporting. In order to develop our country's economy, we must help supply each other's needs, make up for each other's deficiencies and expand our economic and technological exchanges with foreign countries on a world scale under the prerequisite of self-reliance. This is an essential and necessary condition for us to create a new situation in our modernization.

At present, as the capitalist world is suffering from an economic depression, the prices of most commodities have dropped. We should make good use of this situation, take flexible and appropriate measures to expand our foreign economic relations and trade, and import some technologies, equipment and materials which are badly needed in our domestic construction as a step toward enlivening our country's economy. Some people always oppose the importation of technology and equipment for the development of national industries. To be sure, national industries should be protected, whereas blindly importing technology and equipment should be opposed. The import of all equipment, in particular those daily consumer goods which can be made or obtained domestically, should be strictly controlled. And the prejudice of blindly adoring imported goods should be eliminated. However, we should not indiscriminately oppose the import of all foreign goods. In fact, we should courageously import every advanced technique, equipment and technology if they are able to make up for the deficiencies in our national industries, can be used for reference and can help to speed up our industrial development. This is by no means a tendency or worshipping and having blind faith in things foreign, but a practice which may benefit us. In this way we can avoid detours, save time and thus get twice the results with half the effort.

Promoting foreign economic relations and trade is not only an important part of our effort to fulfill the goal of "quadrupling" the total industrial and agricultural output value but also an indispensable motivation for the realization of the goal. A large number of enterprises which are directly or indirectly serving the development of foreign economic relations and trade are a noticeable force in the national economy. Following the overall development of domestic construction, we have to concentrate our efforts on such sectors as energy and communications, and carry out technical transformation in a planned way in hundreds of thousands of medium- and small-sized enterprises. This calls for the import of necessary advanced technologies and equipment as well as vigorous and efficient utilization of foreign capita. In enlivening our economy, we definitely have to depend upon the progress of science and technology. This also requires us to promote extensive international exchanges in the economic and technological fields. Therefore, we must view foreign economic relations and trade in light of the overall situation.

By the end of this century, our total export value will amount to \$160 billion with an average annual growth rate of 7.5 percent, which is a bit faster than the growth rate of the gross annual value of industrial and agricultural production. We put forward this objective on solid ground. From the early period following the founding of New China up to 1981, our average annual increase rate of exports was more than 14 percent. If the 10 years of turmoil had not occurred, the growth rate might surely be higher. Recently, in the 3 years when we were readjusting our national economy, our average annual increase rate of exports was as high as 17 percent. It is obvious that our objective of quadrupling foreign trade can be achieved after making great efforts.

Exports are the basis for foreign economic relations and foreign trade work. To "quadruple" import and export volumes, we should, first of all, grasp the key link of expanding exports. While putting forward our general objectives and believing their feasibility, we should fully consider the tendencies of changes in the international market, conscientiously study every export item and arrange the plans for development so that we can export marketable products to meet the demand of the international market. To expand exports, we should start from developing production to ensure the gradual and continued increase of the supply of goods for exports. We should open up new sources of the supply of goods for export, manufacture competitive famous brand goods and continuously effect a new breakthrough and promote a new development. Another important problem connected with the expansion of exports is to continuously enhance product quality, increase variety, improve design and packing and so forth. We should score successes through the superior quality of our products. To expand exports, we should not rely on the increase of quantity alone. We should, of course, increase the quantity of the goods. However, enhancing quality is a much more important task for us to do. To enhance the quality of our export commodities, we should take the international level and the demands of the international market as our criterion. Otherwise, we will not be able to sell our products at good prices and will lack competitive power. In addition, we should extensively propagate and recommend our goods to the international market and promote the sale of our export goods.

In recent years, we have made a good start in making use of foreign capital. In the future, in accordance with the spirit of emancipating our minds and carefully carrying out our work to conscientiously complete our preparations and make proper arrangements for the disposal of domestic capital and goods, we should take active and steady steps to develop the work of making use of foreign capital. On the basis of conducting sufficient investigation and study and in accordance with the needs of the Third World nations and our capability, we should gradually cooperate with them to establish joint venture enterprises based on equality and mutual benefits to promote the development of South-South economic cooperation.

We should extensively develop the undertaking of contracting projects in foreign countries and labor cooperation and do our best to promote foreign aid work. All these are also important contents for expanding foreign economic relations and foreign trade. We should create a new situation in this field as early as possible.

Coastal cities have good economic foundations, developed transportation and communication systems and a long history of establishing economic and technical contacts with foreign countries. They should have more decisionmaking power to promote foreign economic relations. We should give full play to their advantages.

The strategic importance of foreign economic relations and foreign trade in the overall national economic situation should not be neglected. Departments concerned at all levels, manufacturing departments in particular, should include them in the unified plans for economic development. Departments at both high and low levels should take concerted actions and cooperate closely to exert great efforts in order to create a new situation in the field of foreign economic relations and foreign trade.

NEWSPAPERS PRINT MAO CIRCULAR ON RURAL SURVEYS

HK300337 Beijing RENMIN RIBAO in Chinese 26 Dec 82 p 1

[By Mao Zedong: "Circular of the General Political Department of Census and Land Condition Investigation (2 April 1931)"; "Issued to All Political Departments in the Red Army and Local Governments at All Levels by Mao Zedong in the Name of the Director of the General Political Department of the Central Revolutionary Military Commission"]

[Text] We have prescribed two kinds of forms for census and land condition survey. These two kinds of forms are mainly designed to work out the ratios of land owned by various classes to their respective population so we can more concretely answer many questions facing us with irrefutable facts.

In the past, people in many places tended to neglect the work of investigating facts. They decided on work plans and guided the work of their subordinates only according to their wishful thinking. As a result, their plans were always unfeasible and their guidance was proved wrong.

Now if we can fill in these two kinds of forms with correct statistics which we achieve by paying profound attention to reality, many of our problems, especially many actual problems in the current distribution of land, will be solved easily. It is deeply hoped that political departments of the Red Army will fill in these forms wherever they go and that local power organs will fill in the forms from one village to another. It is particularly hoped that each of the responsible people in the Red Army and governments will carry out this investigation and formulate statistics at all times and in all places.

How can we ensure that the data we acquire from investigation are true and correct?

First, we must deeply and clearly realize the great significance of this work. Only then can we pay special attention to it.

Second, people who are engaging in investigation must fear no trouble. When embarking on investigating a village, we should look over the records of the land condition investigating and census for preparing the land distribution; and we should also interview members of the land commission who have dealt with land distribution and other people who are familiar with the conditions of this village. It is necessary to first gain a clear idea about the class status of each family and the ownership of each mu of farmland (owned by landlord, which peasant, middle peasant or poor peasant...), then we can fill in the forms with actual figures which we have worked out.

Third, comrades sent by higher-level government and responsible comrades of the Red Army's political departments should clearly and elaborately explain the contents of the forms and the points which need to be heeded in investigations to the comrades who will carry out this work. In particular, the following points must be clearly explained: The standard for a rich peasant should be that a considerable share of his income is from exploitation.

Those who just lend a small amount of money for interest should be listed as middle peasants. Those who are former farm laborers and afterward (before the revolution) have already rented some land to till should still be counted as poor peasants. Those who have no family members working on farmland but live on independent labor (such as working as tailors and carpenters) should be called independent laborers. Those who earn their living partly by farming and partly by engaging in crafts should be listed respectively as poor, middle and rich peasants according to their economic status. The difference between free professionals and loafers is that the former always has some decent profession (such as doctor or teacher), but the latter always has no fixed work and leads an unstable life and most people in this bracket tend to do evil things.

In the course of investigation, if we do not clearly realize the above points or if we have no certain idea of how to deal with them, we will inevitably make mistakes in determining people's class status and the statistics will lose their value of correctness.

These two forms -- the land form and the population form -- are closely related and should be filled in at the same time. Both individuals and organizations should seal the forms well and send them directly to the General Political Department of the Central Revolutionary Military Commission.

Our slogans are:

1. No investigation, no right to speak.
2. No correct investigation, no right to speak either.

JIEFANGJUN BAO Commentator

OW280621 Beijing XINHUA Domestic Service in Chinese 1156 GMT 26 Dec 82

[Excerpts] Beijing, 26 Dec (XINHUA) -- Various newspapers in Beijing today prominently published a XINHUA report on the publication of "Mao Zedong's Writings on Rural Surveys." Most newspapers published "An Introduction to 'Mao Zedong's Writings on Rural Surveys'." RENMIN RIBAO, JIEFANGJUN BAO and GUANGMING RIBAO also published commentator's articles.

The JIEFANGJUN BAO commentator's article, entitled "Lay Stress on Surveys," points out: In our party, Comrade Mao Zedong was the first to advocate and practice investigation and study. He created a new style for our party of making Marxism Chinese. Comrade Mao Zedong left untold spiritual wealth and the concept of investigation and study is a precious part of that.

The article says: Our party building, army building, revolutionary united front and socialist construction since the founding of the People's Republic are Marxist undertakings with Chinese characteristics. We may say that, without surveys and studies of China's realities, the formulation of a correct line, principles and policies would have been impossible, nor would it have been possible for us to have won victories in revolution and construction in the past.

BEIJING RADIO AIRS MAO ODE TO PLA COMPANY

OW040417 Beijing Domestic Service in Mandarin 2340 GMT 26 Dec 82

[Text] The text of the poem "In Praise of the 'Good Eighth Company'" written by Mao Zedong on 1 August 1963 reads as follows:

The whole world has heard of the "good eighth company." Why? Because it has steadfastly and long served the people, resisting corrosion and contamination. Thus it is named "good eighth company." The PLA must learn from it.

All army men and people must stand on their own feet, fear neither pressure nor coercion, sword nor halberd, ghost nor demon, emperor nor enemy. Members of the "good eighth company" are wonderful heroes and heroines braving frost and snow, like towering pine and cypress. They observe strict discipline, standing like a firm wall. They are good soldiers, acting like a bolt from the blue. They are first in politics: their thinking good, their analysis excellent. Good analysis is of great benefit. What benefit? It is conducive to unity.

If the army and people unite as one, who in the world can match them?

NEW ECONOMIC DAILY TO BEGIN PUBLICATION 1 JAN

HK301037 Beijing RENMIN RIBAO in Chinese 30 Dec 82 p 4

[Report: "JINGJI RIBAO [ECONOMIC DAILY] To Be Published on New Year's Day"]

[Text] JINGJI RIBAO, a national newspaper to be published six times a week, will be first published on New Year's Day and will be distributed both at home and abroad.

This paper, which is edited under the leadership of the State Economic Commission, will cover a wide range of industry, communications, finance, trade, capital construction, agriculture, forestry, animal husbandry, sideline production, fishery, international economy, economic theory, information and knowledge and the people's economic life. It will also have a literary and art supplement. JINGJI RIBAO is based on ZHONGGUO CAIMAO BAO which was published three times a week. After it is published, the publication of the latter will cease. However, the topics of finance and trade will continue to be an important aspect of the new paper.

Wan Li on JINGJI RIBAO

HK031039 Beijing RENMIN RIBAO in Chinese 1 Jan 83 p 2

[Article by Wan Li [8001 6849]: "In Praise of the 'Shoulder Pole Electric Motor' Spirit -- Some Views on the Inaugural Publication of JINGJI RIBAO"]

[Text] The year 1983 is the first year for creating a new situation in all fields of socialist modernization put forward by the 12th CPC Congress. The inaugural publication at this time of JINGJI RIBAO provides the State Council with a new media front for implementing the spirit of the 12th CPC Congress and the 5th Session of the 5th NPC, for guiding economic management, upgrading economic results, promoting the progress of techniques, performing economic reform, attaching importance to knowledge and selecting people according to their political integrity and ability. This is a gratifying matter that merits congratulations. The editorial department has asked me to write a few words. I remember an article carried not long ago in JIEFANG RIBAO entitled: "Li Wenhua and the 'Shoulder Pole Electric Motor'" which was concerned with creating a new situation. Therefore I take this opportunity to express a few of my feelings after reading this article.

What is the "shoulder pole electric motor?"

I have to start from the very beginning. Li Wenhua was a director of a Shanghai electrical machinery plant. When he heard that the sugarcane output of the provinces in the south had increased by large margins and many sugar refineries fell short of the demands of processing and urgently needed technical transformation, he immediately conducted a personal investigation at the Shunde sugar refinery of Guangdong Province.



He helped this refinery, which was the largest in Guangdong Province, to transform its powerplant and ushered the plant from the steam to the electric era. The processing of sugarcane increased by 33 percent and coal consumption dropped by 43 percent. Here is another episode: When the order was placed for the sugar refinery's DC electric motor, there were only 5 months left of the sugarcane processing season. Usually the cycle for manufacturing a medium-size electric motor takes 9 months. After signing the contract, the director of the sugar refinery was still worried and he went to Shanghai personally to inquire about the matter. Li Wenhua said: "We guarantee the scheduled delivery and I will be responsible for it." Laden with anxieties, the director of the sugar refinery said: "Old Li, how can you be responsible? After the refinery starts working, every day the peasants will transport sugarcane in several hundreds of boats and if there is something wrong with the equipment, the sugarcane will rot if not processed in due time. Then, thousands of peasants will beat us with their shoulder poles." Li Wenhua answered quite confidently: "If this happens, you can send me a telegram and I, Li Wenhua, will come to Shunde to share the beating with you." Therefore, the electric motors were cordially named by the workers the "shoulder pole electric motors." The news spread rapidly to the sugarcane growing areas such as Guangdong, Guangxi, Fujian, Jiangxi and other provinces, and orders were placed one after another. The output of electric motors of the Shanghai electric machinery plant in June and July markedly increased by more than 100 percent over the previous year. If these motors are put into operation, the concerned sugar refineries will be able to earn an extra sum of money amounting to 60 million yuan for the state. As to the Shanghai electric machinery plant itself, it has further created an unprecedented new situation.

Is it possible to attain the grand objective put forward by the 12th CPC Congress to quadruple the total output value of industry and agriculture by the end of the century? It is certainly possible if we act like the Shanghai electric machinery plant. I suppose that it provides three examples that enlighten people: 1) The spirit of seizing every minute and second in creating a new situation. When Li Wenhua was informed by Zheng Deqing of the engineering section, he immediately went to the spot without hesitation to make investigations. When the leading cadres and technical personnel of the Shunde refinery were unable to make up their minds on technical transformation, Li Wenhua consulted with Zheng Deqing and immediately raised their plan in a decisive manner. After the signing of the contract, Li Wenhua aroused the workers to seize every minute and second in their production and finally completed the manufacturing of the new equipment 4 months ahead of schedule. The above series of resolute actions indicates a high sense of responsibility of the comrades of the Shanghai electric machinery plant on the building of the socialist cause and their strong sense of time and urgency. Time is efficiency and results. If we run our affairs according to the old conventional way and slowly pace to and fro, then we are bound to forfeit the opportunity and will be incapable of producing "shoulder pole electric motors."

There was one point of inadequacy in the report, that is, they did not explain the quality of those electric motors. I think the quality may well have been fine. But I do not raise this problem to make unnecessary worries. All industrial departments should seek speed under the prerequisite of ensuring quality, produce the best product from the lowest consumption and strive to achieve better quality products at cheap prices to suit the customers. This should be our starting point in guiding economic management work and technical work. Provided quality is ensured, this spirit of seizing every minute and second is worth popularly learning from and proposing. 2) They have combined industry with agriculture and vigorously developed the economy. By actively helping the refinery to transform the power equipment on their own initiative, Li Wenhua and others made contributions to both opening the market for themselves and also developing agriculture.

This proves that the spirit of close cooperation between industry and agriculture can be formed into a powerful force and promote the work in all respects with each passing day. At present, China's agriculture is changing from self-sufficiency and semiself-sufficiency to mass production of commodities, from traditional agriculture to modern agriculture, and agricultural development is now in the ascendant. Agriculture will provide industrial departments with increasing and abundant raw materials and extend their selling market daily. Recently, diversified economy has been set up in the vast rural areas. The peasants earnestly hope to work their land scientifically and are in urgent need of technical equipment in order to raise the commodity rate of agricultural and sideline products. We can link the event of the Shanghai electric machinery plant supplying the southern provinces with sugarcane processing machinery with the processing machinery for grain, cotton and edible oil, cultivation, drainage, transportation machinery, commune run enterprises and so on. Some outmoded equipment needs to be renewed and some other hand-operated machines urgently need technical equipment. Therefore, it is a fine opportunity for scientific, technical and industrial departments to serve agriculture at present. They should all learn from the example of the Shanghai electric machinery plant, open their gates and go to the countryside to find out the needs of the thriving agricultural production for new techniques and new equipment, rapidly work out plans to transform outmoded equipment and design and produce means of production and means of subsistence that meet with the current agricultural needs. All industrial departments must be aware of agriculture, this vast and flourishing market: 3) They have brought the role of scientific and technical personnel into full play, developed the initiative spirit of intellectuals and actively carried out technical transformation. Besides possessing professional knowledge, Li Wenhua had a high sense of responsibility and also consciousness in carrying out technical transformation to serve agriculture. Otherwise, he could not have raised the equipment transformation scheme at that time. Without sufficient professional and organizational ability, he could also not have accomplished such an urgent production task with certainty. Probably, the "shoulder pole electric motor" will truly become an electric motor which was beaten by the shoulder pole. This shows the importance of intellectuals and professional knowledge. The fact that the Shanghai electric machinery plant respected and relied on intellectual experts in running their enterprise while intellectuals in return have also actively developed their initiative spirit has great significance.

These are the three points I have summarized from the examples of the Shanghai electric machinery plant and we call the summary of these three as the "shoulder pole electric motor" spirit. This spirit is a powerful motive force for creating a new situation in all fields of socialist modernization.

The spirit of seizing every minute and second in creating a new situation, combining industry and agriculture to vigorously develop economy, giving full play to the role of scientific and technical personnel and developing the initiative spirit of intellectuals in carrying out technical transformation should also be an important subject for JINGJI RIBAO to publicize. I hope that JINGJI RIBAO will dedicate all its energy in the course of carrying forward the spirit of the "shoulder pole electric motor" and vigorously develop our economy.

#### MINISTERS, LEADING CADRES TO EXAMINE PRODUCTION

OW021902 Beijing XINHUA Domestic Service in Chinese 1603 GMT 30 Dec 82

[Text] Beijing, 30 Dec (XINHUA) -- Since mid-December, various economic departments under the State Council have organized a number of cadres and have successively sent them to make studies and investigations in basic units and to help various localities effectively carry out production and other work in the first quarter of next year.

According to statistics, the Ministry of Communications, the Ministry of Railways, the Ministry of Petroleum Industry, the Ministry of Coal Industry and 15 other departments have organized 183 work teams, consisting of more than 980 cadres, and have sent them to basic levels. Among these cadres there are 50 cadres with the rank of minister or vice minister and 167 cadres with the rank of department or bureau director. The ministers include Zhou Jiannan, Li Dongye, Yang Bo, Qin Zhongda, Qian Zhengying and Liu Yi. Some of these cadres have already arrived at their destinations, and others will leave for their destinations on 1 January.

#### NATIONAL CONSTRUCTION BANKS CONFERENCE HELD

OW030201 Beijing XINHUA Domestic Service in Chinese 0732 GMT 1 Jan 83

[Text] Beijing, 1 Jan (XINHUA) -- The national conference on the work of construction banks, currently in session, has made the decision to bring into full play the role of banks as an economic lever and adopt effective measures to strictly control the scale of capital construction, guarantee funds for key projects, support technical transformation and help the construction departments achieve better returns from investments.

Minister of Finance Wang Bingqian spoke at the conference. He called on construction banks at all levels in the country to pay serious attention to the important task of strengthening, planning and controlling investment in capital construction. He said: The socialist planned economy practiced in our country finds expression primarily in the centralized management of investment in capital construction. On this question, we must stress centralized management, and not allow "free markets." All investment in capital construction, including that covered by the state budget, self-raised funds, bank loans, use of foreign investment and other special funds, must go through overall balancing, be incorporated into the state plan and put under centralized management.

He called on the construction banks to give full play to their role in following plans and plugging loopholes and act strictly according to plan. Regarding investment in excess of plan and expanded without authorization, the construction banks should exercise supervision, report to higher authorities and even stop allocation of funds.

Through discussion and study, the conference put forward four measures for construction banks to control the scale of construction, guarantee funds for key projects and support technical transformation:

1. Insist on acting according to state plans and exercise centralized control over all investments in capital construction. All self-raised funds for capital construction must be deposited in special accounts in construction banks, and their use must be supervised by the construction banks. Their use must be approved first, and approval will not be given unless funds are deposited in banks first. Evasion of supervision, when discovered, should be reported to leading party and government departments to find out who is to blame, and actions may be taken ranging up to confiscation of all the funds in question. Investment in capital construction, including that covered by the state budget, self-raised funds, bank loans, use of foreign investment and various types of special funds, must be kept within the total annual investment determined by the State Planning Commission, and must not go beyond the state targets.

2. Effectively strengthen control over allocation of funds. All capital construction projects must be approved and included in the state capital construction plan before funds are provided within the limits of appropriation and loan targets. Large and medium-sized capital construction projects should be handled according to plans issued by the State Planning Commission. Small capital construction projects should be carried out according to plans approved by the provincial, municipal or autonomous regional planning commissions and relevant departments of the State Council.

Construction banks must not allocate funds for any projects arranged by any unit without the approval of the relevant authorities.

3. Strengthen control over funds allocated for large and medium-sized construction projects and support the key construction projects centering on energy and transportation. Construction banks should give support in terms of financial management and funds for energy exploitation, reduction of energy consumption and projects to strengthen transportation, postal and telecommunications services and help these projects fulfill state plans on or ahead of schedule. To guarantee funds for key projects, we must make up our minds to curtail construction projects aimed at expanding processing capacity of a general nature. We must strictly control funds allocated for these projects and must not give them blind support and scatter our funds.

4. Properly control and use funds for equipment updating and technical transformation. Construction banks at all levels should actively help enterprises draw up plans and make rational arrangements for equipment updating and technical transformation projects. As to capital construction outside plans undertaken in the name of technical transformation, examination and control must be strengthened.

#### DENG LIQUN ADDRESSES LIBRARY WORK MEETING

OW221045 Beijing XINHUA Domestic Service in Chinese 1457 GMT 18 Dec 82

[Excerpts] Beijing, 18 Dec (XINHUA) -- Libraries are essential for building a high level of socialist material and spiritual civilization, said Deng Liqun, member of the Secretariat of the CPC Central Committee and director of its Propaganda Department, at the second plenary meeting of the national committee on college library work on 17 December. It is necessary to vigorously develop library work, which is still very backward in China but is an important and promising undertaking.

The second plenary meeting of the national committee on college library work conscientiously summed up the library work at colleges and universities in the country in the past year and discussed in particular a development plan for creating a new situation in college library work.

The meeting was held in Beijing from 13 to 18 December. Responsible persons of 50 college libraries from all 29 provinces, municipalities and autonomous regions attended the meeting. Education Minister He Dongchang, Vice Ministers of Education Huang Xinbai and Peng Peiyun, and Zhu Lin and Yu Guangyuan also spoke at the meeting.

#### DENG LIQUN ADDRESSES RURAL WRITERS, EDITORS

OW261221 Beijing XINHUA Domestic Service in Chinese 1540 GMT 24 Dec 82

[Report by XINHUA correspondent Zhan Xiang]

[Excerpts] Beijing, 24 Dec (XINHUA) -- Writers and editors, who have quietly cultivated the broad field of reading matters for the rural areas, are finally honored by the people for their enthusiasm in serving the rural readers and for the results of their hard work. More than 90 writers and editors today mounted the platform to receive rewards in the CPPCC Auditorium.

At the first national selection and award meeting on rural reading matters held today, Wang Ziyi, chairman of the evaluation and award committee, announced the results of the selection.

Deng Liqun, member of the Secretariat and director of the Propaganda Department of the CPC Central Committee, attended the award meeting. He said in his speech that it is not easy to write books for popular consumption which really explain the profound in simple terms. Sometimes it is even more difficult than writing abstract articles. The view and tendency to regard rural reading material as low level and inferior should be changed.



Deng Liqun called on writers and editors to deeply understand the important role played by the 800 million peasants in the course of the four modernizations drive. He said: The 800 million peasants are pushing the rural areas and the entire country forward. The peasants deserve to be learned from. Those who have some knowledge and education should serve them wholeheartedly.

Zhou Weizhi, vice minister of culture, also spoke at the meeting.

Bian Chunguang, vice chairman of the Chinese Publishers Association, presided over the meeting. Xu Li, director of the Publishing Bureau under the Propaganda Department of the CPC Central Committee, and responsible persons of other departments concerned attended the meeting.

#### WANG ZHEN ADDRESSES RETIRING PLA RAILWAY CADRES

OW301035 Beijing XINHUA Domestic Service in Chinese 1638 GMT 29 Dec 82

[Text] Beijing, 29 Dec (XINHUA) -- Wang Zhen, member of the Political Bureau of the CPC Central Committee, attended and spoke at a new year's tea party given by the PLA Railway Corps for cadres who were retiring or temporarily leaving their jobs. He urged the cadres to set a good example for young people and to educate them in the spirit of patriotism and communism in order to hand down the party's glorious tradition from generation to generation.

Comrade Wang Zhen, who was previously first commander and concurrently political commissar of the PLA Railway Corps, said: You old comrades fought heroically, worked hard and performed meritorious services for the party and the country during the years of revolutionary war and in socialist construction. Your glorious deeds will be recorded in the annals of the revolution. You are getting old and retiring or temporarily leaving your jobs; the people will welcome you. He encouraged the cadres to play an exemplary role in all fields and be respected Communist Party members and retired army officers. He said: In view of the tasks of creating a new situation in China's socialist modernization and building a revolutionary and modern army, you old comrades must continue to work in your retirement in order to pass on your good experiences to the younger generation and hand down the party's fine tradition and the People's Army's revolutionary tradition to future generations. In family life, it is necessary to educate your children in the spirit of communism and train them to become successors with revolutionary ideals, scientific and cultural knowledge and professional skills.

Chen Zaidao, commander of the PLA Railway Corps, and Kuang Fuzhao, second political commissar of the corps, also attended the gathering.



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